



18 April 2024

Contact for Apologies: General Manager
Phone: (08) 8551 0720
Email: horsetram@victor.sa.gov.au
Website: www.horsedrawntram.com.au
File Ref: GOV9.14.041

Dear Board Member

NOTICE OF MEETING

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

DATE: Wednesday, 24 April 2024
TIME: 3:00pm
PLACE: The Stables, 11 Canton Place, 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.



Acknowledgement of Country

We acknowledge the traditional custodians of our beautiful lands and surrounding waters, the Ramindjeri and Ngarrindjeri people. As a community we recognise and respect their cultural connection with the land and waters.

1. Open Meeting/Welcome

2. Attendance

Nigel Catt (Chair)
Cr Carol Schofield AM (Deputy Chair)
Paul Brown
Rachel Kennedy
Natasha Hunt

Megan Whibley (General Manager VHHTA)
Whitney Mainwaring (Minute Secretary - Consultant)

Karen Rokicinski (Director Corporate and Customer Service)

3. Apologies

Nil

4. Minutes of Previous meeting

4.1 Board Meeting Minutes Report – 13 March 2024 4

5. Adjourned Item(s)

Nil

6. Reports for Receiving and Noting only

6.1 Resolutions Register Report 8
6.2 Purchase of Asset Report 11
6.3 Euthanasia of Isabella Report 13

7. Reports for Decision

7.1 Asset Management Policy Report 17
7.2 March Budget Review Report 26



8. Presentation(s)

Nil

9. Discussion Items – No decision(s)

- 9.1 Official Opening Date of Stables Complex
- 9.2 Update of Land prospects
- 9.3 Update of Horses

10. Correspondence Received

- 10.1 Letter 7 March 2024 37

11. Urgent Business without Notice

Nil

12. Confidential Reports

Nil

Next Meeting

Wednesday, 24 July 2024, 3pm – The Stables, 11 Canton Place, Victor Harbor

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.*



Meeting **Victor Harbor Horse Tram Authority**
Date **24 April 2024**
From **Megan Whibley**
Subject **Board Meeting Minutes – 13 March 2024**
Report Number **4.1**

RECOMMENDATION

That the minutes of the previous Victor Harbor Horse Tram Authority Board Meeting held Wednesday, 13 March 2024, be confirmed as a true and accurate record.

INFORMATION

Purpose

The purpose of this report is to present the Victor Harbor Horse Tram Authority minutes for the meeting held on 13 March 2024 for confirmation.

Background

A Board meeting of the Victor Harbor Horse Tram Authority was held on Wednesday, 13 March 2024.

Commentary

The minutes for the Victor Harbor Horse Tram Authority meeting held Wednesday, 13 March 2024 were distributed to Members.

A copy of the minutes are provided at Attachment A to this report.

RISK ASSESSMENT

Legal and Compliance – The minutes were prepared and distributed to members in line with legislation. This risk is assessed as **low**.

REFERENCES

Nil

BUDGET IMPLICATIONS

Excluding endorsed budgeted staff resources there are no budget implications in confirming the Victor Harbor Horse Tram Authority minutes.

No additional funds are required.

CONSULTATION

Victor Harbor Horse Tram Authority Board members

Victor Harbor Horse Tram Authority
 Board Meeting Agenda
 For meeting Wednesday, 13 March 2024
 Commencing at 3:00pm



Present

Nigel Catt (Chair)
 Paul Brown
 Natasha Hunt (via Teams)
 Cr Carol Schofield

In Attendance

Megan Whibley (General Manager - VHHTA)
 Whitney Mainwaring (Minute Secretary - Consultant)

Commencement

The meeting commenced at 3.12pm

3. Apologies

Rachel Kennedy

4. Minutes of the Previous Meeting

4.1 Board Meeting Minutes Report – 7 February 2024 4

VHHTA430 Moved: Paul Brown

Seconded: Cr Carol Schofield

That the minutes of the previous Victor Harbor Horse Tram Authority Board Meeting held Wednesday, 7 February 2024, be confirmed as a true and accurate record.

CARRIED

5. Adjourned Item(s)

Nil

6. Reports for Receiving and Noting only

6.1 Resolutions Register Report 10

VHHTA431

Moved: Natasha Hunt

Seconded: Cr Carol Schofield

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

CARRIED

Victor Harbor Horse Tram Authority
 Board Meeting Agenda
 For meeting Wednesday, 13 March 2024
 Commencing at 3:00pm



7. Reports for Decision

7.1 Draft Business Plan 2024 - 2027 13

VHHTA432

Moved: Paul Brown
 Seconded: Cr Carol Schofield

1. That the Victor Harbor Horse Tram Authority Board receive and note the Draft Business Plan 2024-2027 Report.
2. That the Victor Harbor Horse Tram Authority Board endorse the Draft Business Plan 2024-2027 as provided at attachment A and provide the plan to Council with the minor formatting and the following changes: in reference to page 5 change to “Due to unforeseen horse husbandry and weather conditions”.

CARRIED

7.2 Draft Operating and Capital Budget 2024/25 31

VHHTA 433

Moved: Paul Brown
 Seconded: Natasha Hunt

1. That the Victor Harbor Horse Tram Authority Board receive and note the Draft Operating and Capital Budget 2024/25 report.
2. That the Victor Harbor Horse Tram Authority Board endorse the Draft Operating and Capital Budget 2025/25 and the accompanying financial statements as provided at attachment A to this report and provide it to Council.

CARRIED

8. Presentation(s)

Nil

9. Discussion Items – No decision(s)

9.1 Official Opening Date – Stables Complex

Discussion regarding Official Opening date with honourable guests and Local Members, GM beginning preparations for event.

Meeting adjourned at 3.58pm by Chair
 Meeting resumed at 4.02pm by Chair

10. Correspondence Received

Victor Harbor Horse Tram Authority
Board Meeting Agenda
For meeting Wednesday, 13 March 2024
Commencing at 3:00pm



Nil

11. Urgent Business without Notice

Nil

12. Confidential Reports

Nil

Next Meeting

Wednesday, 24 April 2024, 3pm – The Stables, 11 Canton Place, Victor Harbor

Meeting Close at 4.04pm

Please be advised`

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

Meeting **Victor Harbor Horse Tram Authority**

Date **24 April 2024**

From **Megan Whibley**

Subject **Resolutions Register Report**

Report Number **6.1**

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 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 18-Apr-24

Date	Minute Number	Resolution	Status/Update
		<i>Leave blank</i>	
7 Feb 2024	Discussion Item 1.1	Official Opening Date of Stables to be confirmed at later date	Confirmed for 1 June 2024
13 Mar 2024	VHHTA433	1. That the Victor Harbor Horse Tram Authority Board receive and note the Draft Operating and Capital Budget 2024/25 report. 2. That the Victor Harbor Horse Tram Authority Board endorse the Draft Operating and Capital Budget 2025/25 and the accompanying financial statements as provided at attachment A to this report and provide it to Council.	Awaiting Council Meeting for endorsement on 22 April 2024
13 Mar 2024	VHHTA432	1. That the Victor Harbor Horse Tram Authority Board receive and note the Draft Business Plan 2024-2027 Report. 2. That the Victor Harbor Horse Tram Authority Board endorse the Draft Business Plan 2024-2027 as provided at attachment A and provide the plan to Council with the minor formatting and the following changes: in reference to page 5 change to “Due to unforeseen horse husbandry and weather conditions”.	Awaiting Council Meeting for endorsement on 22 April 2024
13 Dec 2023	VHHTA420	That the Victor Harbor Horse Tram Authority Board receive and note the Asset Management Proposal Report. That the Victor Harbor Horse Tram Authority Board recommend to Council to approve the sale of two Clydesdales, namely, Norman and Finniss.	In Progress
13 Dec 2023	Discussion Item 9.1	Board Member Remuneration	Tabled for future discussion
1 Dec 2020	VHHTA209	That the General Manager present a report to the Victor Harbor Horse Tram Authority Board prior to the setting of the 2021/2022 budget, that includes information on our training policy and our budget requirements for training, so as to provide direction for the Board.	Draft tabled at Board meeting 13 September 2022 – VHHTA Draft Staff and Development Policy requiring further development.
		<i>Intentionally Left Blank</i>	



Meeting **Victor Harbor Horse Tram Authority**
Date **24 April 2024**
From **Megan Whibley**
Subject **Update – Purchase of Asset**
Report Number **6.2**

RECOMMENDATION

That the Victor Harbor Horse Tram Authority receive and note the update of the Purchase of Asset Report.

INFORMATION

Purpose

The purpose of this report is to receive and note the update of the purchase of new asset on behalf of the City of Victor Harbor for the tramway operation.

Background

The Victor Harbor Horse Tram Authority is responsible for overseeing certain assets within the City of Victor Harbor, specifically, the horses used in the tramway operations. Each year, a designated capital budget is assigned for the acquisition of these specific assets should this need arise.

Commentary

Recent instances of illness and injury among the horses have resulted in limited tram operations. When the chance to purchase a new horse presented itself, a request for a procurement waiver was made to swiftly acquire this new asset to resume tram services at standard operation.

Rusty, a 14-year-old horse with great potential for tram pulling, is anticipated to arrive in the near future with training to commence shortly thereafter in the expectation of beginning tramway service within one month of arriving at the Victor Harbor Horse Tram Stables.

RISK ASSESSMENT

Legal and Compliance – This risk is assessed as **low**.

Financial Management – The financial implications of introducing a new horse to the stables, including the costs associated with feeding and caring for the asset, have been taken into account. The risk is assessed as **low**.

REFERENCES

Procurement Policy

BUDGET IMPLICATIONS

There are no budget implications in receiving and noting the update purchase of asset report.

No additional funds are required due to fund allocation from Council.

CONSULTATION

City of Victor Harbor Administration

General Manager VHHTA

Sandy Creek Clydesdales



Meeting **Victor Harbor Horse Tram Authority**
Date **24 April 2024**
From **Megan Whibley**
Subject **Euthanasia of Isabella**
Report Number **6.3**

RECOMMENDATION

That the Victor Harbor Horse Tram Authority receive and note the Euthanasia of Isabella Report.

INFORMATION

Purpose

The purpose of this report is for the Victor Harbor Horse Tram Authority to receive and note the Euthanasia of Isabella Report.

Background

Isabella has been an asset of the City of Victor Harbor since before the establishment of the Victor Harbor Horse Tram Authority (VHHTA). Throughout her duration with the VHHTA, Isabella has proven to be a reliable member on the horse-drawn tram.

Since the inception of the VHHTA, Isabella has consistently enjoyed good health and has received favorable health assessments during routine veterinary check-ups.

Commentary

The VHHTA staff observed that Isabella was unwell in mid-February 2024. Seeking veterinary assistance, a local vet conducted examinations and arranged bloodwork and testing. Isabella was diagnosed with Ross River Virus and staff commenced close monitoring and carefully followed the vet's medical advice.

In early April, in coordination with the local vet, Isabella was admitted to Mt Torrens Veterinary Services due to her deteriorating health and refusal to eat. She was closely monitored for several days, receiving exceptional medical care. Despite all efforts, her health continued to decline. On Monday, April 15, the VHHTA was informed by the Veterinarian that Isabella had been euthanised due to her worsening condition, bleak prognosis and increased suffering.

The veterinary expenses for Isabella's treatment were covered by the VHHTA's 'Maintenance of horses' budget line. The veterinary report from Dr. Lindsay Young Veterinary Services has not yet been received by the VHHTA and will be provided at a future meeting.

RISK ASSESSMENT

Reputation - The Community has a great interest in the health and wellbeing of the Horse Tram horses. A perception that the VHHTA neglected to care for, or take the necessary steps to treat, an unwell horse could create a risk of community backlash and reputational harm. The VHHTA ensures that all horses have regular veterinary examinations. The VHHTA has worked closely with veterinary experts and followed all medical advice provided for Isabella. The risk is assessed as **low**.

Reputation - The Community has a great interest in the health and wellbeing of the Horse Tram horses. A non-transparent euthanasia of a tram horse could create a risk of community backlash and reputational harm. The VHHTA has directly informed the public of Isabella's euthanasia through radio talks and media releases. The risk is assessed as **medium**.

Financial Management – Poorly planned budgets can result in the VHHTA needing to request additional funds from Council to accommodate unexpected / unplanned expenses. The VHHTA's operational budget has sufficient funds in the 'Maintenance of horses' line to meet the medical expenses outlined in this report. The risk is assessed as **low**.

BUDGET IMPLICATIONS

Costs relating to feed, expected constant veterinary attention and hoof trimming would be reduced by the euthanasia of Isabella.

Isabella's veterinary expenses can be accommodated by the VHHTA's operating budget in the 'Maintenance of horses' line.

No additional funds are required.

CONSULTATION

Dr Lindsay Young Mt Torrens Veterinary Services

Victor Harbor Horse Tram Authority General Manager

City of Victor Harbor Administration



Meeting **Victor Harbor Horse Tram Authority**
Date **24 April 2024**
From **Megan Whibley**
Subject **Asset Accounting Policy Report**
Report Number **7.1**

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority Board receive and note the Asset Accounting Policy Report.**
- 2. That the Victor Harbor Horse Tram Authority Board have reviewed and endorse the Asset Accounting Policy.**

INFORMATION

Purpose

The purpose of this report is to provide policies of the VHHTA to the VHHTA Board for consideration and review.

Background

The Board is the Authority's governing body and has the responsibility for the administration of the affairs of the Authority ensuring that the Authority acts in accordance with the Charter and all relevant legislation including the Local Government Act 1999. With reference to the Charter – Sub Clause 2.2 – Specific Functions of the Board:

In administering the affairs of the Authority, the Board must ensure:

2.2.1 That the authority observes all plans, targets, structures, systems and practices required or applied to the Authority by the Council;

2.7.2 The Authority must, in consultation with the Council, prepare and adopt, and thereafter keep under review as required by legislation, policies on:

2.7.2.1 governance;

2.7.2.2 contracts and tenders (to conform to Section 49 of the Act);

2.7.2.3 human resource management;

2.7.2.4 work, health and safety;

2.7.2.5 protection of the environment;

2.7.2.6 any other matters relevant to the operation of the Victor Harbor Horse Tram and the Authority;
and

2.7.2.7 the Board must ensure that code of conduct and Authority policies are complied with in the operation of the Authority.

Commentary

The VHHTA still continues to use and refer to the policies of the City of Victor Harbor.

The Asset Accounting Policy has been prepared for the Boards consideration and endorsement.

RISK ASSESSMENT

Legal and Compliance – The review of Policies ensures that they are reviewed and updated for effective control and guidance for the VHHTA. This risk is assessed as **low**.

Governance – The recommendation meets the requirements of the Charter and legislation. The risk has been assessed as low.

REFERENCES

The Local Government Act 1999

The VHHTA Charter

BUDGET IMPLICATIONS

Excluding endorsed budgeted staff resources there are no budget implications in the VHHTA Board reviewing and updating VHHTA policies and procedures.

No additional funds are required.



Policy

Policy Name	Asset Accounting Policy
Policy/File Number	ED4.12.012
Review Frequency	Every Three Years
Attachments	nil

1. Purpose

The purpose of this Policy is to ensure the Authority's non-current assets are recognised and accounted for in accordance with *Australian Accounting Standards* and the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*, Australian Accounting Standards, interpretations, guidelines and relevant South Australian Legislation.

2. Scope

This Policy applies to the acquisition and accounting treatment of the Authority's non-current assets, to ensure they are managed in an efficient and financially responsible manner, and that financial information related to non-current assets are presented accurately and consistently.

3. Policy Statement (Summary)

The Victor Harbor Horse Tram Authority has an obligation to ensure that existing assets are managed efficiently, and that decisions regarding the acquisition of new assets and the sale and maintenance of current assets are undertaken in an open and transparent manner.

The Authority's non-current assets shall be recognised, capitalised and revalued in accordance with the Australian Accounting Standards and this Policy.

4. Legislation and Compliance

The Victor Harbor Horse Tram Authority is subject to the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*, and relevant Australian Accounting Standards.

5. Definitions

Accumulated Depreciation means the total of all the annual depreciation that has been applied to the asset since the asset has been used by the entity.

Asset means a resource controlled by the entity as a result of past events and from which

Asset Accounting Policy

future economic benefits are expected to flow to the entity. The three elements of an asset are:

- future economic benefits (goods and services provided by the asset)
- control by the entity (ability of entity to benefit from future economic benefits)
- occurrence of a past event (asset must be in existence)

Residual Value (where applicable) of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Carrying Amount means the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Depreciation means the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable Amount means the cost of an asset or other amount substituted for cost, less its residual value.

Fair Value means the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Impairment Loss means the amount by which the carrying amount of an asset exceeds its recoverable amount.

Maintenance means recurrent operating expenditure such as repairs, fuel, power, materials, labour, overheads and general services. It includes both reactive maintenance and planned maintenance programs and non-capitalised minor equipment purchases.

Property, Plant and Equipment are tangible items that:

- (a) are held for the use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period

Right-of-Use Assets means an asset that represents a lessee's right to use an underlying asset for the lease term.

Useful Life means the period for which an asset is expected to be available for use by an entity or the number of production or similar units expected to be obtained from the asset by an entity.

6. Policy Content

AASB 116 requires that a distinction be made between expenditure that is consumed immediately in operations (or within one financial year) and expenditure on physical assets that will provide service over more than one financial year. This distinction is a critical component in the determination of financial sustainability of a Council subsidiary.

Asset Accounting Policy

6.1 Recognition of an Asset

An asset is recognised in the statement of financial position when it is probable that future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

An asset that qualifies for recognition will be initially recorded at cost at the date of acquisition, including costs directly attributable to bringing the asset to the location and condition ready for operation.

Where an asset is acquired at no cost, at significantly less than fair value, the cost is determined as the fair value of the asset/s at the date of acquisition.

Assets with an economic life in excess of one year will be capitalised where the cost of acquisition exceeds materiality thresholds set by the Authority for each type of asset.

No capitalisation threshold is applied to the acquisition of land or interests in land.

6.2 Material Levels for Capitalisation

Material levels for capitalisation of assets are:

Asset type	Material level
Software	\$50,000
Buildings	\$10,000
Infrastructure	\$10,000
Major Plant and Equipment	\$5,000
Minor Plant and Equipment	\$1,000
IT and Office Equipment	\$1,000
Furniture and Fittings	\$1,000
Other	\$1,000

6.2.1 Individual Assets

Individual assets not meeting threshold limits may be capitalised as a group asset, if the total value of the items exceeds threshold levels (eg 200 chairs).

Additionally, where there is expenditure on individual assets that falls below the materiality threshold for that asset class, but operate together as a network or asset group, that total expenditure can be capitalised, for example a computer network, bulk furniture or stormwater pumps.

Asset Accounting Policy

6.2.2 Intangible Assets

Intangible assets, such as software, will be recognised subject to AASB138. Research will be recognised as an expense when it is incurred.

Development activities including configuration, coding, installation and testing will be capitalised where it can be demonstrated that the asset meets the criteria within AASB138.

Generally, software costs will be recognised as follows:

- Research, investigations, feasibility, evaluation etc will be expensed as the costs are incurred.
- Materials, services and internal resources consumed in the development of the software including external / third party fees, software purchase costs, data conversion, migration and testing will be recognised as having probable future economic benefits and thus be capitalised.

6.3 Asset Classes

AASB 116 requires assets to be classified into classes. The Authority has nominated the following financial classes of assets:

Category	Financial Class	Assets Included
Buildings & Structures	Buildings	Internal and external structure, roof, internal and external finishes and building services
Infrastructure	Tram Line	Horse tram line
Plant and Equipment	Plant and Equipment	Major plant and equipment Minor plant and equipment IT and office equipment
Furniture and Fittings / Other	Furniture and Fittings	Office Furniture

6.4 Asset Depreciation

Other than land and excluded assets under section 6.1, all recognised infrastructure, property, plant and equipment assets will be systematically depreciated over their useful lives in a manner that reflects the consumption of the service potential embodied in those assets. Residual values (where applicable) are based on the estimated value of an asset at the end of its useful life.

6.4.1 Depreciation

Depreciation is recognised on a straight-line basis. Depreciation rates may be

Asset Accounting Policy

varied for specific assets where asset quality, environmental and/or operational conditions require other than standardised treatment.

6.4.2 Useful Lives and Residual Values

Useful lives and residual values for each class of asset are reviewed as part of the annual asset revaluation process and are included in the Asset Register which is updated following adoption of the annual financial statements each year.

Category	Class	Useful Life (Years)	Average Annual Depreciation Rates (%)
Buildings & Structures	Buildings	10 - 100	1 – 10
Infrastructure	Horse Tram Line	10 - 100	1 – 10
Plant and Equipment	Plant and Equipment	2 – 20	5 – 50
Furniture and Fittings / Other	Furniture and Fittings	5 – 10	10 – 20

6.5 Asset Impairment

Impairment is the decline in the future economic benefits or service potential of an asset, over and above the use reflected through depreciation (e.g. an asset is damaged in a natural disaster and the carrying value is no longer valid).

AASB 136 requires assessment at each reporting date whether assets under its control may be impaired. External indicators for impairment could be as a result of significant adverse changes in the technological, market, economic or legal environment. Internal indicators for impairment could include obsolescence or physical damage of an asset.

Indicators may provide evidence that an asset is of no benefit to the community or that plans to replace or dispose of the asset will require the re-assessment of its useful life. If any such indication exists, the Authority shall estimate the recoverable amount of the asset.

Impairment loss shall be recognised when the recoverable amount of an asset is less than its carrying amount. An impairment loss is recognised in the Income Statement, unless the asset is carried at a revalued amount, when it is to be treated in the same way as a revaluation decrement against the same asset. An impairment loss can be reversed in subsequent years.

6.6 Measurement after recognition

AASB 116 requires revaluations to be undertaken with sufficient regularity to ensure that the carrying amount of an asset does not differ materially from that which would be determined using fair value at the reporting date and for the entire class of asset to be revalued simultaneously.

Asset Accounting Policy

Determining the frequency of valuations depends on striking a balance between having relevant and timely information, and the cost of obtaining such information. It is appropriate to provide for periodic comprehensive revaluations with interim revaluations based on specific indices.

AASB 116 requires that comprehensive revaluations every three to five years may be sufficient for non-current assets that experience only insignificant changes in fair value. It also provides that a class of assets may be revalued on a rolling basis provided revaluation of the class of assets is completed within a short period and revaluations are kept up to date.

The Authority will undertake comprehensive valuations to ensure the carrying amount of an asset does not differ materially from that which would be determined using fair value.

The Authority intends to conduct comprehensive revaluations on the following basis:

- Buildings to be revalued by external valuers at intervals of no more than four years;
- Infrastructure to be revalued by internal staff and signed off by an external valuer at intervals of no more than four years;
- Plant, equipment, furniture and fittings assets are not to be subject to revaluation, as they have relatively short useful lives. The Authority will hold these assets at historical cost.

6.7 Leases

In accordance with AASB16 Leases, all leases will be capitalised by recognising a Right of Use asset together with a liability for the present value of the lease obligation.

Depreciation will be calculated on the Right of Use asset and interest will be calculated on the lease liability.

The value of the Right to Use asset and the lease liability will include non-cancellable lease payments and payments for option periods which the Authority is reasonably certain to exercise.

Exceptions to the capitalisation rule are short-term leases with a period of 12 months or less, and low value underlying assets such as personal computers, small items of office furniture and telephones.

6.8 Asset Sale or Disposal

The disposal or sale of assets must be performed in accordance with the *Disposal of Land and Other Assets Policy*.

Asset Accounting Policy

6.9 Disclosure Requirements

The disclosure requirements shall be in accordance with AASB 116 - Property, Plant and Equipment.

7. Risk Management

Recorded fixed asset acquisitions that do not represent fixed assets acquired by the Authority may result in misstatement in the management report and financial statements. Inaccuracies in the input and/or processing of asset acquisition details or amounts may lead to the asset being incorrectly reflected in the general ledger. Asset acquisitions that are not recorded may understate the value of fixed assets and depreciation, and may lead to assets being lost or misappropriated.

8. Implementation/Delegations

The General Manager is delegated authority to implement this Policy.

9. Related Documents

Asset Management Plans
Long Term Financial Plan
Disposal of Land and Other Assets
Procurement Policy

10. Availability of Policy

This Policy is available on the Victor Harbor Horse Tram website at www.horsedrawntram.com.au. It may also be inspected or purchased at the Principal Office of the City of Victor Harbor, 1 Bay Road, Victor Harbor.

Document History

Version	Document	Action	Date
1.0	Approved version	Victor Harbor Horse Tram Authority endorsement VHHTA436	24/04/2024



Meeting **Victor Harbor Horse Tram Authority**
Date **24 April 2024**
From **Megan Whibley**
Subject **March Budget Review 2023/24**
Report Number **7.2**

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority;**
 - a. endorse the March Budget Review 2023/24 as presented at Attachment A to this report, noting an unchanged contribution from Council (operating deficit) of \$365,000, and**
 - b. provide the March Budget Review to Council.**

INFORMATION

Purpose

The purpose of this report is for the Victor Harbor Horse Tram Authority Board to endorse the March Quarterly Budget Review 2023/24 and to provide a projection of the VHHTA budget for 2023/2024 identifying any variations sought to the VHHTA's original budget and the cumulative financial implications.

Background

Section 9 of the Local Government (Financial Management) Regulations 2011 provides the requirements for regular budget reviews. Regulation 9(1)(b) and 9(2) of the Local Government (Financial Management) Regulations 2011 requires a budget review to include a revised forecast of the VHHTA's operating and capital investment activities compared with estimates set out in the budget.

Further, the Victor Harbor Horse Tram Authority is 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.

The March report for the 2023/24 financial year has been prepared on schedule.

This March Review of the 2023/24 Budget is a review addressing the first 9 months of the 2023/24 financial year.

Commentary

The 2023/2024 budget is still predicting a break-even budget, despite facing several unforeseen hurdles that have impacted tram operations. These challenges include illnesses and injuries among multiple horses, mechanical issues with the tram, and erratic weather patterns resulting in lower-than-expected revenue.

Despite these challenges, the VHHTA remains resilient and committed to the ongoing success of the Horse Tram operation.

During the previous fiscal year, VHHTA achieved a revenue surplus of \$168,000, with Council's endorsement to allocate this surplus for reinvestment. However, it's noteworthy that most of that allocation was utilised in completing essential components for completion of the new stables complex and other associated costs. Fortunately \$30,000 of the surplus can be utilised toward achieving a break-even budget.

In the pursuit of greater financial self-sufficiency, VHHTA has demonstrated significant progress, both financially and in productivity, over the past two years. A cornerstone of this progress lies in our commitment to gradually reduce reliance on Council contributions, steering towards a future where operations are predominantly sustained through self-sourced revenue streams.

Council's contribution has not seen any increases since the Authority was established and has remained constant at \$365,000 this current fiscal year.

In the face of inflationary pressures and escalating operational costs, maintaining the same monetary contribution signifies a decrease in real value when adjusted for these economic factors.

The March Review of the 2023/2024 Budget is provided at Attachment A.

RISK ASSESSMENT

Financial Management – The VHHTA is on track to achieve an end of financial year position in accordance with the adopted 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 **low**.

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. This risk is assessed as **low**.

Governance - the recommendation meets the requirements of the Charter and legislation. The risk is assessed as **low**.

REFERENCES

Victor Harbor Horse Tram Authority 2022/23 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 remains at \$365,000, remains unchanged at \$365,000 with the remaining 2022/23 operating surplus being utilised to balance budget.

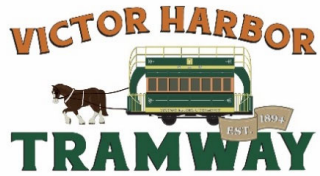
CONSULTATION

City of Victor Harbor Administration
SMP Chartered Accountants
IgiQ
General Manager VHHTA

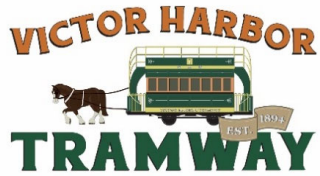
Victor Harbor Horse Tram Authority Budget



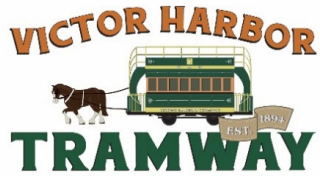
Income	Description	YTD 23/24	Original	Revised 1	Revised 2	Revised 3	Variance BR3 to BR2 (\$)	Variance BR3 to BR2 (%)	Variance Comments
Ticket Sales	Casual and Group bookings	563,508	796,235	796,235	796,235	796,235	-	-	Achievable if nothing else goes wrong
	Souvenir sales and donations/sponsorship	97,816	155,000	195,416	155,000	152,000	(3,000)	(2%)	Donations down a little
	Behind the scenes	10,091	177,100	177,100	77,100	37,100	(40,000)	(52%)	start/opening 6 months behind schedule , starting to gain momentum
	DIT Boom gate monitoring	26,799	45,000	45,000	45,000	45,000	-	-	
	Council Contribution	365,000	365,000	365,000	365,000	365,000	-	-	
	Interest and Other Income	5,901	40,100	40,100	40,100	21,100	(19,000)	(47%)	Sponsorship still low. \$10 and some gained in kind instead of \$
Total Income		1,069,115	1,578,435	1,618,851	1,478,435	1,416,435	(62,000)	(1)	
Expenses	Description	YTD 23/24	Original	Revised 1	Revised 2	Revised 3	Variance BR3 to BR2 (\$)	Variance BR3 to BR2 (%)	Variance Comments
Employee Costs	Salaries, superannuation & workcover	587,821	954,270	954,270	865,154	837,154	(28,000)	(3%)	As income is down we are able to reduce wages
Depreciation	Depreciation for fixed assets	-	66,720	66,720	66,720	66,720	-	-	
Administration	Travel, stationary, printing, communication, insurance, utilities, training and development	89,118	142,830	132,830	122,830	110,830	(12,000)	(10%)	Small gains in some of these areas to reduce costs
Maintenance	Building, stables, tram, paddock and equipment maintenance	151,038	35,000	135,000	188,000	168,000	(20,000)	(11%)	Utilising remaining surplus to achieve breakeven budget
	Horse Care - feed, farrier and vet fees	73,668	70,000	90,000	105,000	95,000	(10,000)	(10%)	tracking well
Marketing	Advertising, promotions, and souvenir purchases	52,911	100,000	120,000	80,000	70,000	(10,000)	(13%)	holding on souvenir spending
Other Expenses	Committee, cleaning, consultants, professional services, FBT, volunteer and staff amenities	77,342	122,760	133,176	109,176	127,176	18,000	16%	consultants due to admin contractor and induction process being designed
Administration charge	Rent on Assets	33,750	16,855	16,855	16,855	16,855	-	-	Other funds in ROU to be drawn on to balance
Corporate Support	IT, Finance, Records and Administration	58,275	70,000	70,000	77,700	77,700	-	-	
Total Expenses		1,123,923	1,578,435	1,718,851	1,631,435	1,569,435	-62000	-0.291809857	
Net gain (loss) from sale of assets									
Net Surplus (Deficit)		(54,808)	0	(100,000)	(153,000)	(153,000)	0	-0.720167188	



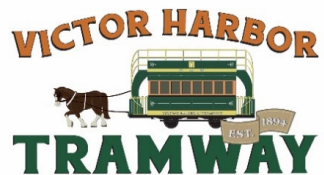
VICTOR HARBOR HORSE TRAM AUTHORITY STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2024	Actual	Actual	Budget	Budget	Budget	Variance	Budget	Variance
	FY23 \$'000	YTD 23/24 \$'000	Original \$'000	Revised 1 \$'000	Revised 2 \$'000	BR2 to BR1 \$'000	Revised 3 \$'000	BR3 to BR2 \$'000
INCOME								
Ticket & Bookings Sales	810	563	796	795	798	-	796	-
Council Contribution	415	365	365	365	365	-	365	-
Other income	223	141	417	458	317	(140)	255	(62)
Total Income	1,448	1,069	1,578	1,618	1,480	(140)	1,416	(62)
EXPENSES								
Employee Costs	698	588	954	954	866	(89)	837	(28)
Materials, Contracts and Other Expenses	529	536	557	698	700	2	666	(34)
Depreciation, amortisation & impairment	52	-	66	66	67	-	67	-
	1,279	1,124	1,577	1,718	1,633	(87)	1,570	(62)
OPERATING SURPLUS / (DEFICIT)	169	(55)	1	(100)	(153)	(53)	(154)	-
Net gain (loss) on disposal or revaluation of assets	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	169	(55)	1	(100)	(153)	(53)	(154)	-



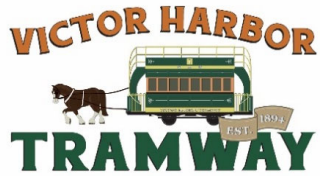
VICTOR HARBOR HORSE TRAM AUTHORITY STATEMENT OF CASH FLOWS for the year ended 30 June 2024	Actual FY23 \$'000	Actual YTD 23/24 \$'000	Budget Original \$'000	Budget Revised 1 \$'000	Budget Revised 2 \$'000	Variance BR2 to BR1 \$'000	Budget Revised 3 \$'000	Variance BR3 to BR2 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts								
Operating receipts	1,470	1,073	1,579	1,619	1,479	(140)	1,417	(62)
Investment receipts	-	-	-	-	-	-	-	-
Payments								
Operating payments to suppliers & employees	(1,267)	(1,170)	(1,491)	(1,631)	(1,544)	87	(1,482)	62
Finance payments	(2)	-	(9)	(9)	(9)	-	(9)	-
Net Cash provided by (or used in) Operating Activities	201	(97)	79	(21)	(74)	(53)	(74)	-
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Grants specifically for new or upgraded assets	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
Payments								
Capital Expenditure on renewal/replacement of assets	-	-	-	5	5	-	5	-
Capital Expenditure on new/upgraded assets	(98)	(52)	(55)	(55)	(55)	-	(55)	-
Net Cash provided by (or used in) Investing Activities	(98)	(52)	(55)	(50)	(50)	-	(50)	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Proceeds from Borrowings	-	-	55	55	55	-	55	-
Payments								
Repayment of Borrowings	(33)	219	(88)	(85)	(85)	-	(85)	-
Net Cash used in Financing Activities	(33)	219	(33)	(30)	(30)	-	(30)	-
NET INCREASE (DECREASE) IN CASH HELD	70	70	(9)	(101)	(154)	(53)	(154)	-
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	91	161	90	161	161	-	161	-
CASH & CASH EQUIVALENTS AT END OF PERIOD	161	231	81	60	7	(53)	7	-



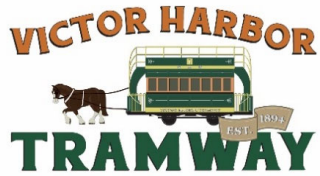
VICTOR HARBOR HORSE TRAM AUTHORITY STATEMENT OF FINANCIAL POSITION for the year ended 30 June 2024	Actual	Actual	Budget	Budget	Budget	Variance	Budget	Variance
	FY23 \$'000	YTD 23/24 \$'000	Original \$'000	Revised 1 \$'000	Revised 2 \$'000	BR2 to BR1 \$'000	Revised 3 \$'000	BR3 to BR2 \$'000
ASSETS								
Current Assets								
Cash and cash equivalents	161	231	81	60	7	(53)	7	-
Trade & Other Receivables	18	13	-	18	18	-	18	-
Inventories	-	-	-	-	-	-	-	-
Total Current Assets	179	244	81	78	25	(53)	25	-
Non-Current Assets								
Infrastructure, Property, Plant & Equipment	211	261	198	199	200	-	199	-
Total Non-Current Assets	211	261	198	199	200	-	199	-
TOTAL ASSETS	390	505	279	277	225	(53)	224	-
LIABILITIES								
Current Liabilities								
Trade & Other Payables	64	15	9	9	10	-	9	-
Short-term Provisions	59	59	32	32	32	-	32	-
Short-term Borrowings	87	87	35	35	35	-	35	-
Total Current Liabilities	210	161	76	76	77	-	76	-
Non-Current Liabilities								
Long-term Provisions	13	13	40	40	40	-	40	-
Long-term Borrowings	-	219	94	94	94	-	94	-
Total Non-Current Liabilities	13	232	134	134	134	-	134	-
TOTAL LIABILITIES	223	393	210	210	211	-	210	-
NET ASSETS	167	112	69	67	14	(53)	14	-
EQUITY								
Accumulated Surplus	167	112	69	67	14	(53)	14	-
TOTAL EQUITY	167	112	69	67	14	(53)	14	-



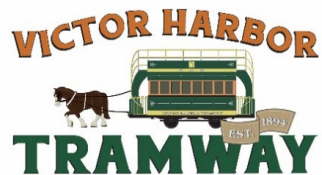
VICTOR HARBOR HORSE TRAM AUTHORITY STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2024	Actual	Actual	Budget	Budget	Budget	Variance	Budget	Variance
	FY23 \$'000	YTD 23/24 \$'000	Original \$'000	Revised 1 \$'000	Revised 2 \$'000	BR2 to BR1 \$'000	Revised 3 \$'000	BR3 to BR2 \$'000
ACCUMULATED SURPLUS								
Opening balance at beginning of financial year	(2)	167	68	167	167	-	167	-
Total comprehensive income for the year	169	(55)	1	(100)	(153)	(53)	(154)	-
Closing balance at end of period	167	112	69	67	14	(53)	13	-



VICTOR HARBOR HORSE TRAM AUTHORITY UNIFORM PRESENTATION OF FINANCES for the year ended 30 June 2024	Actual	Actual	Budget	Budget	Budget	Variance	Budget	Variance
	FY23 \$'000	YTD 23/24 \$'000	Original \$'000	Revised 1 \$'000	Revised 2 \$'000	BR2 to BR1 \$'000	Revised 3 \$'000	BR3 to BR2 \$'000
Operating Revenues	1,448	1,069	1,578	1,618	1,480	(140)	1,416	(62)
less Operating Expenses	(1,279)	(1,124)	(1,577)	(1,718)	(1,633)	87	(1,570)	62
OPERATING SURPLUS (DEFICIT)	169	(55)	1	(100)	(153)	(53)	(154)	-
NET OUTLAYS ON EXISTING ASSETS								
Capital Expenditure on Renewal and Replacement of Existing Assets	-	-	-	5	5	-	5	-
add back Depreciation, Amortisation and Impairment	52	1,124	66	66	67	-	67	-
add back Proceeds from Sale of Replaced Assets	-	-	-	-	-	-	-	-
	52	1,124	66	71	72	-	72	-
NET OUTLAYS ON NEW AND UPGRADED ASSETS								
Capital Expenditure on New and Upgraded Assets	(98)	(52)	(55)	(55)	(55)	-	(55)	-
add back Amounts Received Specifically for New and Upgraded Assets	(98)	(52)	(55)	(55)	(55)	-	(55)	-
ANNUAL NET IMPACT TO FINANCING ACTIVITIES (SUPLUS)/(DEFICIT)	71	(107)	12	(84)	(136)	(53)	(137)	-



VICTOR HARBOR HORSE TRAM AUTHORITY FINANCIAL INDICATORS for the year ended 30 June 2024	Actual FY23 \$'000	Actual YTD 23/24 \$'000	Budget Original \$'000	Budget Revised 1 \$'000	Budget Revised 2 \$'000	Variance BR2 to BR1 \$'000	Budget Revised 3 \$'000	Variance BR3 to BR2 \$'000
Operating Surplus Ratio <i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>	11.7%	-5.1%	0.1%	-6.2%	-10.3%		-10.9%	
Net Financial Liabilities <i>Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.</i>	44	149	129	132	186		185	
Net Financial Liabilities Ratio <i>being total liabilities less financial assets (excluding equity accounted investments in Authority business), divided by total operating revenue</i>	3.0%	13.9%	8.2%	8.2%	12.6%		13.1%	
Asset Management Plan forecast project spend for renewal of assets	-	-	-	(5)	(5)		(5)	
Asset Renewal Funding Ratio <i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i> <i>The ideal ratio is 100%, where VHHTA is spending the amount required each year to renew and replace existing assets so they continue to operate optimally to meet the organisations objectives.</i>				100%	100%		100%	
Own Sorce Funding		63%	77%	73%	68%		67%	



VICTOR HARBOR HORSE TRAM AUTHORITY CAPITAL EXPENDITURE for the year ended 30 June 2024	Actual FY23 \$'000	Actual YTD 23/24 \$'000	Budget Original \$'000	Budget Revised 1 \$'000	Budget Revised 2 \$'000	Variance BR2 to BR1 \$'000	Budget Revised 3 \$'000	Variance BR3 to BR2 \$'000
CAPITAL NEW								
IT equipment	-	-	10	10	10	-	10	-
Tools	-	-	5	5	5	-	5	-
Tractor/mower/slasher	-	-	20	20	20	-	20	-
Gater	-	16	15	15	15	-	15	-
Work vehicle	53	-	-	-	-	-	-	-
Second float	24	-	-	-	-	-	-	-
Harness Equipment	1	9	5	5	5	-	5	-
Equissage	10	-	-	-	-	-	-	-
Photocopier	-	6	-	-	-	-	-	-
Mower	-	14	-	-	-	-	-	-
Other	10	8	-	-	-	-	-	-
Total - Capital New	98	52	55	55	55	-	55	-
CAPITAL REPLACEMENT								
Float	-	-	-	-	-	-	-	-
Second Float	-	-	-	-	-	-	-	-
Work Vehicle	-	-	-	-	-	-	-	-
harness Equipment	-	-	-	-	-	-	-	-
Spray unit	-	-	-	-	-	-	-	-
Gater	-	-	-	-	-	-	-	-
Work Ute	-	-	-	-	-	-	-	-
Tractor/mower/slasher	-	-	-	-	-	-	-	-
Tools	-	-	-	-	-	-	-	-
IT Equipment	-	-	-	-	-	-	-	-
Total - Capital Replacement	-	-	-	-	-	-	-	-
	98	52	55	55	55	-	55	-



Meeting **Victor Harbor Horse Tram Authority**
Date **24 April 2024**
From **Megan Whibley**
Subject **Correspondence**
Report Number **10.1**

RECOMMENDATION

1. That the Correspondence Report as presented on 24 April 2024 be noted.

INFORMATION

Purpose

The purpose of this report is to provide details of correspondence received to the Victor Harbor Horse Tram Authority Board for noting.

Background

Further to the acceptance of becoming the Patron of the Victor Harbor Horse Tram, an invitation was sent on 5 March 2024 to Her Excellency, The Honourable Frances Adamson AC, Governor of South Australia, seeking availability to attend the Victor Harbor Horse Tram Authority Official Opening Event of the new Stables.

Commentary

The following correspondence has been received since the last ordinary meeting:

- Letter from Government House on behalf of Her Excellency, The Honourable Frances Adamson AC, Governor of South Australia received on 7 March 2024.

The correspondence is provided as Attachment A.

RISK ASSESSMENT

Governance - The risk is assessed as **low**.



GOVERNMENT HOUSE
ADELAIDE

GH Reference: 15/01/236-P

Thursday, 7 March 2024

Ms Megan Whibley
General Manager – Horse Tram
Victor Harbor Horse Tram
mwhibley@victor.sa.gov.au

Dear Ms Whibley *Meg,*

Her Excellency the Governor has asked me to thank you for your letter inviting her to officially open the new Stables and Visitor Centre Complex.

The Governor is delighted to accept your invitation to open the stables and complex on Saturday, 1 June 2024, in Victor Harbor, at 3:00 pm, and will be accompanied by her husband, Mr Rod Buntin, and an Aide.

A Government House Protocol Officer will contact your office in due course to discuss arrangements for the event, including sending you a request for briefing information. This information is essential for Government House to prepare a brief for the Governor. The Protocol Officer can assist with advice on protocol and other planning details to ensure the success of the function. We will also be making a request for assistance in drafting the Governor's speech.

Should you have any further questions in the meantime, the Protocol Team can be contacted via ghprotocol@sa.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bronwyn Jolly'.

Bronwyn Jolly
AIDE TO THE GOVERNOR