



## WELLINGTON CABLE CAR LIMITED

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Friday, 22 October 2021

Finance and Performance Committee  
Wellington City Council

### WCCL QUARTERLY REPORT (FY 2021-22 Q1)

Dear Councillors Calvert and Foon,

Below you will find a summary of the 1<sup>st</sup> quarter performance for Wellington Cable Car Limited (WCCL). It is divided into 5 sections;

1. Operating performance summary
2. WCCL Q1 results compared to SOI targets
3. Capex summary
4. Key initiatives this quarter
5. Looking ahead

#### 1. Operating performance summary

- Q1 revenue is down on budget by \$120k.
- WCCL applied for and received \$67k in government subsidy (Wage subsidy and Resurgence support)
- The lower revenue is offset by reduced expenses, a \$90k savings compared to budget.
- YTD the Cable Car has made a loss of \$440k compared to a budgeted loss of \$480k
- YTD cash losses have been funded through a reallocation of asset replacement funds, as per budget.
- The full-year Revenue re-forecast is \$1.71M, down \$127k from an original budget of \$1.84M
- Cable Car closed for 7 days (26/7 – 1/8) for 2021 Annual Maintenance Shutdown (AMS)
  - All scheduled work completed on schedule with no major incidents/accidents
- During Q1, the Cable Car was closed for a total of 21 days as a result of COVID lockdowns
  - AL4 15 Days – 18/8 – 31/8
  - AL3 6 Days – 1/9 – 7/9



Absolutely Positively  
**Wellington City Council**  
Me Heke Ki Pōneke

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## 2. WCCL Q1 results compared to SOI targets

The table below shows summarises key SOI parameters for Passenger Numbers and Reliability targets.

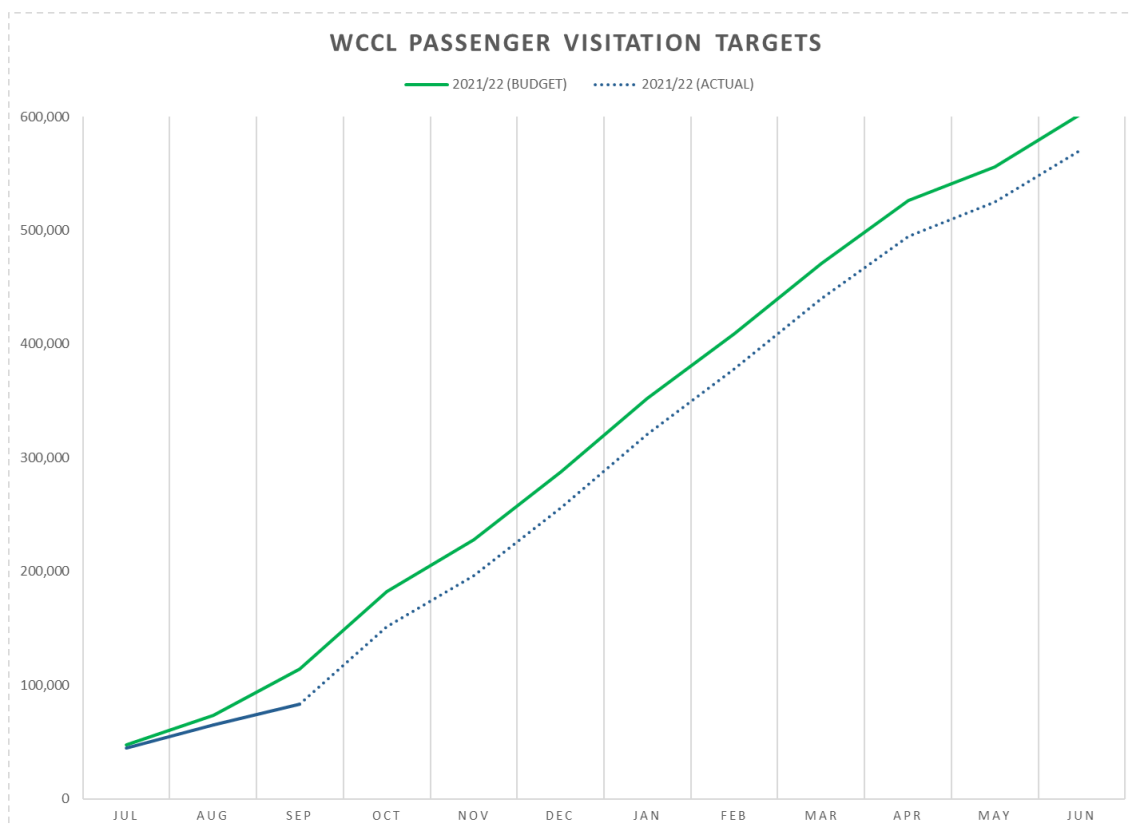
# Wellington Cable Car - FY 2021-22 Q1 Results



Passenger Numbers	Jul-21	Aug-21	Sep-21	Q1 Total
SOI Target	47,674	25,648	41,148	114,469
Actual	44,766	19,977	18,403	83,146
<b>FY 21-22 Q1 Variance</b>	<b>-2,908</b>	<b>-5,671</b>	<b>-22,745</b>	<b>-31,323</b>

Reliability	Jul-21	Aug-21	Sep-21	Q1 Total
SOI Target	99.00%	99.00%	99.00%	99.00%
Actual	98.36%	100.00%	99.95%	99.44%
<b>FY 21-22 Q1 Variance</b>	<b>-0.64%</b>	<b>1.00%</b>	<b>0.95%</b>	<b>0.44%</b>

- Despite a short shut-down periods due to flooding & minor maintenance issues in July, overall reliability exceeded target for the quarter.
- Unexpected COVID alert level changes negatively impacted both passenger numbers and revenue.
- Passenger number variance for August and September reflect 28 operational days lost due to COVID lockdowns (unplanned) and AMS (planned)
- While we didn't forecast overseas visitors, local visitation has also been negatively impacted due to the ongoing Auckland lockdown.
- FY 2021/22 Q1 Passenger visitation target with forecast passenger visitation summarised below
- The full-year Passenger re-forecast is 571k, down 31k from an original budget of 602k



### 3. Capital expenditure summary

- \$3.38M of WCC funding has been included in the Council’s LTP for Cable Car tunnel strengthening. The yearly breakdown is illustrated on the right.
- The total amount is approximately 25% less than the original funding request from the WCCL to WCC.
- During Q1, WCCL was notified that Waka Kotahi had not allocated funds for the Cable Car tunnel strengthening project as requested.
- This leaves a gap of approximately \$3.52M compared to the original estimated cost of the full project.

FY	CONFIRMED WCC LTP FUNDING
21/22	\$ 72,030
22/23	\$ 1,641,500
23/24	\$ 588,000
24/25	\$ 784,000
25/26	\$ 196,000
26/27	\$ 98,000
27/28	
28/29	
29/30	
30/31	
<b>Total</b>	<b>\$ 3,379,530</b>

- In FY 2021/22 WCCL is planning to complete the following projects:

Description	YEAR	Estimated Cost	NOTES
Tunnel Strengthening Middle Tunnel - Upper, Complete Detailed design and Tender	2022	\$ 50,000	Next Steps Detailed design & Tendering
Seismic Assessment - Bridges - Stage 1	2022	\$ 40,000	Proposal received
Lambton Terminal - Seismic Investigations and Detailed Design	2022	\$ 60,000	

- Out of the three projects scoped initially, the highest priority project is **Strengthening Middle Tunnel**.
- WCCL has engaged WSP to complete sufficient design to enable an independent cost estimate for the physical strengthening works.
- Cost estimation to be completed by the end of October 2021, at which stage the WCCL Board will confirm the proposed approach with Council
- Cost of committed spend to date \$20,200.
- If approved, Phase two will comprise of completing detailed design, drawings, specifications, building consent application and managing the tender process.
- At this stage, it is anticipated that the tender will be focused on the Tunnel portal and adjacent Wall with the tunnel barrel out of initial scope, given the reduced funding.

### 4. Highlights and initiatives

#### KIDS RIDE FREE

- After 22 days of AL4 and AL3 lockdown in Wellington, the Cable Car celebrated reopening with a tamariki / Whānau led promotion
- Kids ride Free was in the market from 11 to 30 September 2021.
- The aim is to get a feel-good message out in the local community and support Wellingtonians in getting out and about after a challenging three weeks.
- The promo was considered a success, with 395 kids travelling for free on the Cable Car during that period



## BARK and RIDE TRIAL

- Initially, it was to go live on 26 August (international Dog Day), however, due to AL4, the trial was postponed
- The Cable Car sees an opportunity to support Wellingtonians who live in the central city get access to the best green space in the capital (Wellington Botanical Gardens)
- Press release on 12 August generated a lot of media interest and overwhelming support from the community
- The trial has been rescheduled for November



## COMMUNITY SUPPORT

Since the start of the year, the Cable Car has hosted over 1,000 local tamariki on the Cable Car. Over 450 kids had to cancel due to COVID 19 lockdowns

Since the start of the year, the Cable Car has supported the following organisation with in-kind donations

Mary Potter Hospice

Wellington City Mission Men's Group

Brown Owl Kindy

Kiwi Class, refugee group

Miramar North School

KWA – Kids with Arthritis

NZ School of Tourism Diploma Class

Diabetes Youth Wellington

Kapi Mana Multiples

West Coast Cancer Society

Big Buddy Charity

One School Global

Hutt School Playground fundraiser

Hutt Gymnastics

Library Raffle



## 5. Looking ahead

- Update with initial design & costings for stage 1 of tunnel strengthening project
- Bark n Ride Trial 1 – 31 November 2021
- Pricing adjustments for general fares
  - The last price adjustment for Cable Car casual fares was in 2018
  - Looking at opportunities to introduce commuter dedicated products

**Cesar Piotto**

**WCCL Chief Executive**