

Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 31 December 2008 for review. A summary of key findings is presented below and the full report is attached.

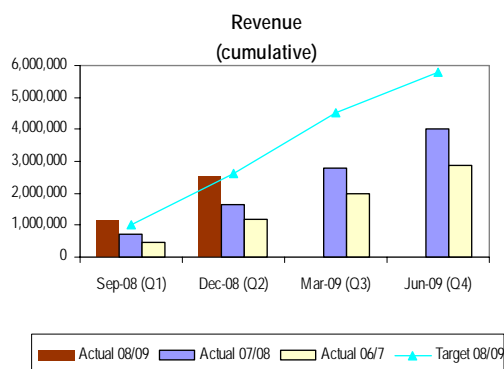
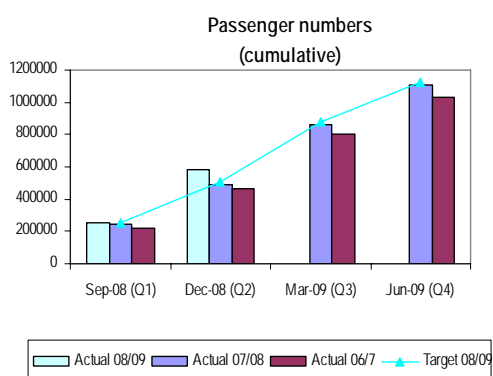
Highlights: achievements

- Passenger numbers for the quarter were 329,498 which is 32% ahead of budget
- The revaluation of the overhead asset means that where overhead maintenance involves replacement of major components, the work will be designated as capital works. Once the changes in accounting treatment have been agreed, the Company will need to provide and report against a revised business plan.

Activities during the quarter

- The issues with the upgraded trolley buses and the Vector supply cables are being worked through, and cable replacements are being tendered for
- The Company and GWRC are working through the most efficient way of providing network maintenance while still providing seven day trolley bus operations. The funding agreement between the two entities is at an advanced stage and could be signed during Q3.

Performance



Macro Key Performance Indicators

The following KPIs have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
Cable Car passengers	1,486,019	249,962	329,498
Cable Car reliability (%)	> 99%	> 99%	99.94%
Fare & subsidy income	5,654,982	1,591,425	1,372,578

Financial Commentary

- The YTD surplus of \$177k is due to a timing difference (surplus) on overhead network income which should be reversed by year-end. The income from external contracts is on target to reach the year-end contribution to surplus of \$130k
- Cable Car fare income for the quarter is 17% ahead of budget and 29% ahead of the same quarter in 2007/08 as a result of a significant increase in passenger numbers however the YTD overhead income is 17% behind budget – a lot of this funding has been received but has been transferred to the Balance Sheet until the associated expenditure is incurred
- YTD administration costs are \$83k ahead of budget due to significant unbudgeted legal and financial costs relating to the development of pole user charges.

Statement of Financial Performance

For the quarter ended 31 December 2008

\$'000	Q2		YTD		FY
	Actual	Budget	Actual	Budget	Budget
Income	1,373	1,591	2,521	2,606	5,806
Expenditure	1,284	1,526	2,344	2,572	5,519
Operating surplus	89	65	177	34	287

Operating margin 6% 4% 7% 1% 5%

Statement of Financial Position

As at 31 December 2008

\$'000	YTD	2007/08	FY
	Actual	Actual	Budget
Current assets	1,924	1,876	921
Non-current assets	6,338	6,397	6,190
Current liabilities	1,037	913	200
Non-current liabilities	735	735	-
Equity	6,490	6,625	6,911
Current ratio	1.9 : 1	2.1 : 1	4.7 : 1
Equity ratio	79%	80%	96%

Statement of Cash Flows

As at 31 December 2008

\$'000	YTD	2007/08	FY
	Actual	Actual	Budget
Operating	122	227	(312)
Investing	(326)	(137)	46
Financing	-	(3)	-
Net	(204)	87	(266)
Closing balance	402	457	191

Note: FY Budgets are as approved in the Business Plan.

Contact officer:

Warren Ulusele

Profile - Wellington Cable Car Limited

Wellington Cable Car Limited (WCCL) is a wholly owned subsidiary of the Council.

The company maintains the Cable Car assets and oversees the passenger service contract (for operations of the Cable Car). This was held by Transfield till 31 March 2007. It also contracts the maintenance and repair of the trolley bus overhead system, and monitors the day-to-day performance of this contractor (currently Stagecoach). WCCL is required to maintain an inventory of materials for the maintenance of the overhead system.



WCCL negotiates a transport subsidy from the Wellington Regional Council to cover the costs of the trolley bus overhead system. The Cable Car operation does not receive any subsidy.

Entity Data

Established	1 July 1991	
Board	Roger Drummond (Chair) Christine Southey Jeremy Ward	<i>Term expires:</i> 31 Dec 2011 31 Dec 2010 31 Dec 2010
General Manager	Brian Brown	
Balance date	30 June	
Number of FTE staff		
Website	www.wellingtonnz.com/sights_activities/wellington_cable_car	
Type of entity	Company	
LGA designation	CCTO	
By reason of	Board control: all Directors appointed by Council	
Council interest	\$4.24 million (<i>book value</i>)	
Type of interest	100% Shareholding	