

# WELLINGTON CABLE CAR LIMITED

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4 November 2009

## REPORT TO THE MONITORING SUBCOMITTEE FOR THE FIRST QUARTER OF 2009/10

### FINANCE

#### Cable Car & Trolley Bus System Income

Cable Car fare income is 15.4% above budget for the quarter and 15.4% ahead of the same quarter in 2008/09.

The trolley bus overhead network income is shown as 15.3% below budget for the quarter. However there are timing differences, particularly related to the projects for the replacement of collector wire and the invoicing for the revenue relating to that work, which mean in the short term there can be considerable variances against the budget. The overall expenditure for the year on the overhead network will be close to budget.

#### Income from External Activities

External activities include sundry work on the trolley bus overhead system resulting from third party requests, providing escorts to high loads through the city and Council initiated activities. Income from external activities is \$65.5K against a budget of \$83.0K, which is 21% below budget, primarily due to the mix of work undertaken. Expenses related to external activities are \$15.0K against a budget of 18.1K, which is 17% below budget. Overall for the quarter, the external activities resulted in a surplus of \$50.4K against a budget of \$64.9K, a shortfall of 22.2%.

#### Administration

Administration costs amount to \$113.1K against a budget of \$81.9K, which is 38.1% above budget, principally due to the costs of employing a new chief executive officer and the handover period.

#### Income and Expenditure Overview

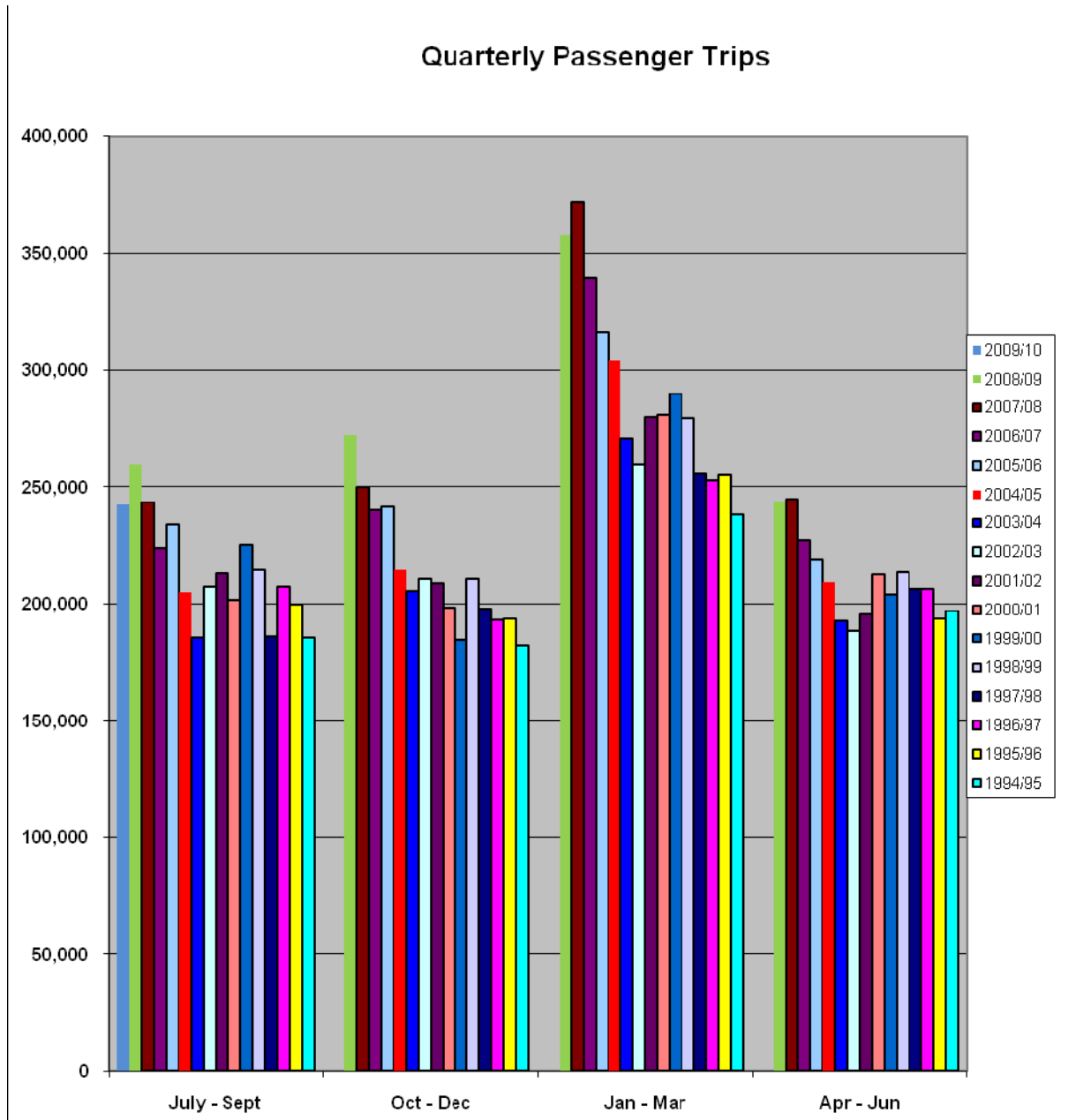
The overall income for the quarter was \$1,152.1K which was 8.0% below budget. Overall expenditure was 20.9% below budget. The overall surplus was \$86.4K against a budgeted deficit of \$24.4K.

The overall favourable position is primarily due to the favourable operations of the cable car and external activities.

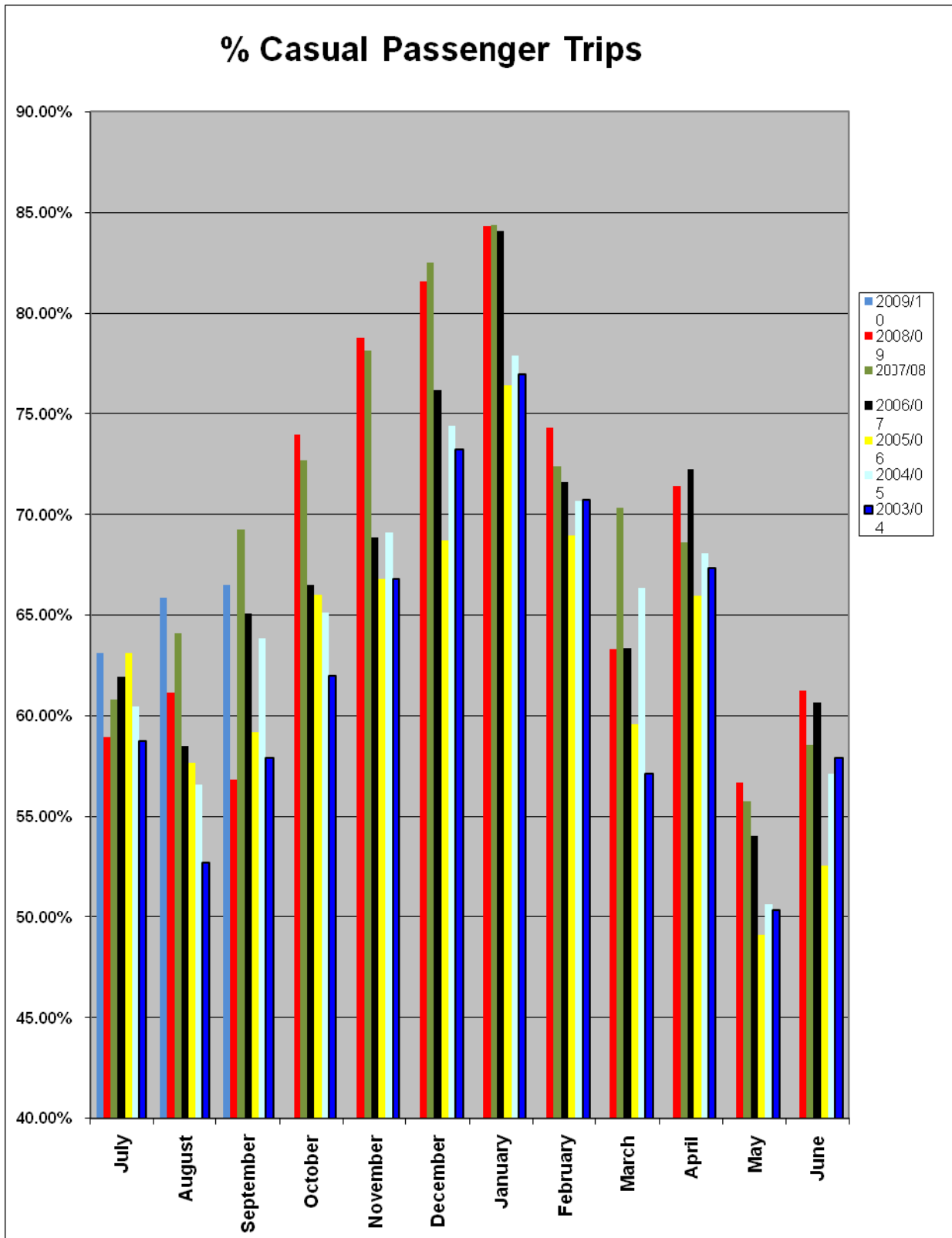
## Cable Car Passenger Numbers

The actual passenger numbers for the first quarter of 2009/10 were 242,463 which are 6.57% below estimate and below the same period in the previous year. The decrease is attributed to the particularly inclement weather during the quarter.

The following chart indicates the overall pattern of cable car patronage.



The following chart indicates the percentage of passengers not using a concession fare and therefore classified as being a casual passenger. It is indicative of infrequent use of the cable car as a “special occasion”, by both local residents and visitors to the city.



## **Cable Car Reliability**

The reliability of the cable car was 99.8% for the quarter.

## **GENERAL**

### **Cable Car Operation**

The cable car continues to be operated by our own staff and management, as it has been since 1 April 2007. The number of complaints received has been negligible.

### **Cable Car maintenance**

Routine maintenance has continued to be undertaken, with some preparation work undertaken for the annual survey to be carried out in the second quarter.

### **Trolley Bus Overhead**

The new overhead maintenance contractor is generally performing to a satisfactory standard.

In line with WCCL's Asset Management Plan, replacements of the thin contact wire have been commenced for the current year's projects, with preparations and some construction work being undertaken in the following areas:

- Brooklyn
- Karori

It is anticipated that all of the planned wire replacements in the Asset Management Plan for the current year will be completed by the end of the financial year. Pole replacements are currently behind budget due to inclement weather but by the end of the financial year around 125 old poles will have been replaced.

The upgraded trolley buses have been all introduced on to the network and problems with the network and performance of the buses are continuing to manifest themselves as predicted by WCCL. Following the Mayor writing to WELL's owner in Hong Kong with a view to improving progress in their activities, a new initiative between WCCL, WELL and NZ Bus has set up a Technical Review Group, tasked with preparing a Technical Report on matters affecting the electrical-related operation of the trolley buses. The Group has targeted to prepare its report by 31 March 2010, to be addressed to WCC and GWRC.

The funding arrangements have been agreed with GWRC for the current year, but there is still further work to be done on the content of the ongoing funding agreement with GWRC for the provision by WCCL of overhead network services for the trolley buses.

### **Manners Mall**

We have been requested to undertake some preparation work for the proposed project to introduce trolley bus routes through Manners Mall, including obtaining the required resource consents.

We have concerns that the lack of reference to the trolley bus overhead network in the District Plan may lead to difficulties in gaining the necessary resource consents.

A handwritten signature in blue ink, appearing to read 'Naughton', is written in a cursive style.

**p.p. Roger Drummond**

**CHAIRMAN OF THE BOARD OF DIRECTORS**