

WELLINGTON CABLE CAR LIMITED

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15 February 2011

REPORT TO THE MONITORING SUBCOMITTEE FOR THE SECOND QUARTER OF 2010/11

FINANCE

Cable Car & Trolley Bus System Income

Cable Car fare income is 3.9% above budget for the quarter and 14.6% above the same quarter in 2009/10, reflecting the increase in fares effective from 1 October 2010.

The trolley bus overhead network maintenance contract income from Greater Wellington Regional Council (GWRC) (\$832K) is shown as 44% below budget for the quarter. During this quarter, installation of the new length of overhead network associated with the Manners Mall project was undertaken for Wellington City Council. Revenue for the work undertaken for GWRC is budgeted to match to expenditure over the full year.

Income from External Activities

External activities include sundry work related to the trolley bus overhead system resulting from third party requests, including providing escorts to high loads through the city and Council initiated activities, (e.g. the Manners Mall bus lane project). The net contribution for the quarter from external activities is \$118K against a budget of \$298K, the difference being due to the timing of activities for this type of work.

Administration

Administration costs amount to \$79K against a budget of \$85K, which is 7% below budget.

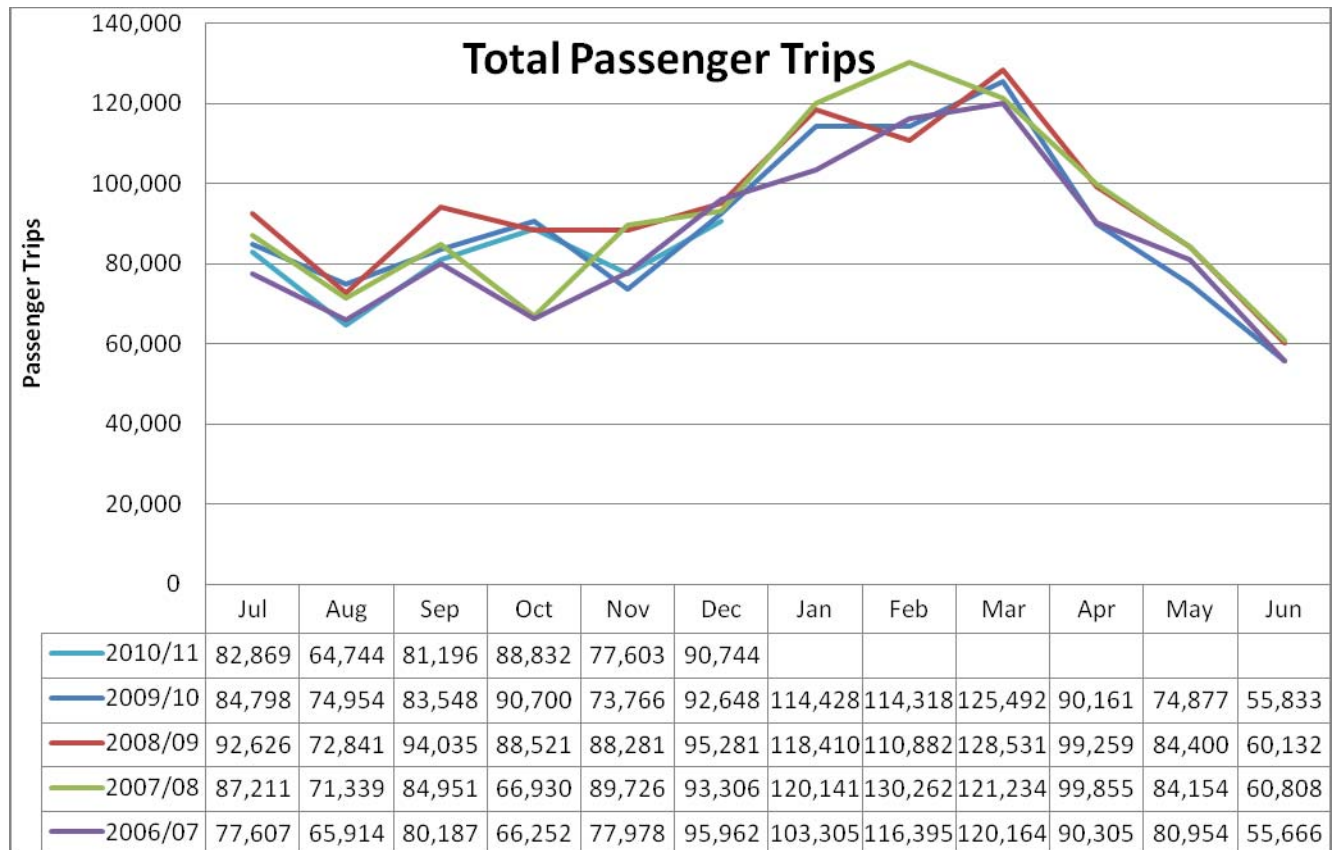
Income and Expenditure Overview

The overall income for the quarter was \$1,424K which was 44% below budget. Overall expenditure was 29% below budget. The overall surplus was \$231K against a budget of \$358K.

Cable Car Passenger Numbers

The actual passenger number for the quarter was 257,180, which is 11.2% below estimate but equal to the same period in the previous year.

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



WCCL is concerned about the recent lower patronage of some of the passenger categories (principally commuters) and has commissioned a survey to obtain data on this trend, to guide action as appropriate. The results of the survey are expected to be available in June 2011.

Cable Car Reliability

The reliability of the cable car was 99.67% 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.

Trolley Bus Overhead

It is anticipated that all of the planned asset replacements in the Asset Management Plan for the current year will be completed by the end of the financial year, as activity will be concentrated on them following the completion of the Manners Mall work.

A handwritten signature in blue ink, appearing to read 'Maughan', is positioned above the typed name of the Chairman.

p.p. Roger Drummond

CHAIRMAN OF THE BOARD OF DIRECTORS