

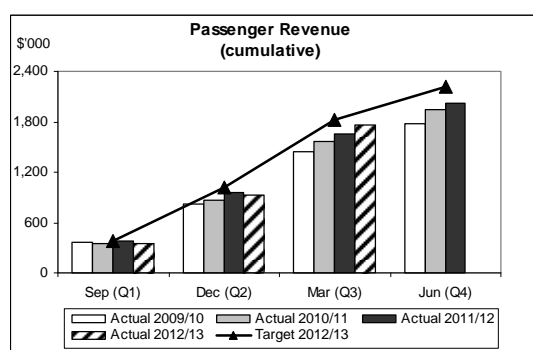
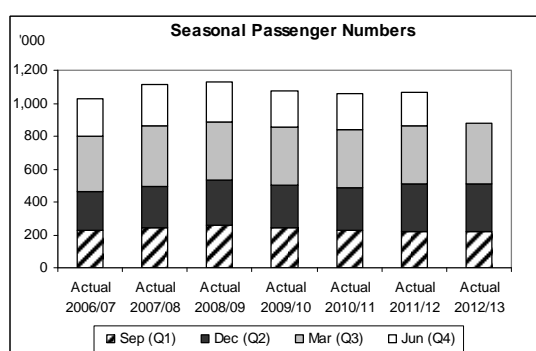
Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 31 March 2013 for review. A summary of key findings is presented below and the full report is attached.

Highlights / Summary

- Cable car passenger numbers for the quarter were 364,772, which was 4.7% above target and the same period last year. As a result, despite the slower Q1 result, YTD passenger numbers are up 2.1% on last year and target.
- The resource consent application for the Kelburn terminal redevelopment was approved, with a condition relating to the demolition of the kiosk noted. Contractors have commenced work on-site since quarter end.
- The electric bus service between the Kelburn terminal and the Lady Norwood Rose Garden in the Botanic Garden has resolved some initial "teething" problems and both buses are operational. The Company is looking at how regularly this service should be run.

Performance



Macro Key Performance Indicators

The following KPIs have been reported by the company:

Measure	Annual Target	Quarter Target	Quarter Actual	YTD Target	YTD Actual
Passenger trips	1,073,700	348,500	364,772	859,800	878,162
Cable Car reliability (%)	>99	>99	99.9	>99	99.8
Fare income \$k	2,223	810	846	1,825	1,768

- Student patronage numbers in Q3 were down on last year, particularly in March. The Company is looking into likely explanations for this.
- The cable car operated with 99.89% reliability during the quarter.

Activities during the quarter

- The Company has selected an external party for the work reviewing the Company's Health & Safety Management policies.
- A fare increase was introduced on 1 February 2013.

Financial Commentary

- Cable car fare income was \$846k for Q3, 4% above budget and above last year, reflecting the higher passenger numbers and the fare increase.
- Trolley bus overhead network maintenance income from GWRC (\$803k) and expenses are shown as 56% below budget for the quarter. The budget includes provision for capital expenditure items that are subject to business case approval, on which investigative work is still being undertaken. Revenue for the work undertaken for GWRC for reactive and planned maintenance is budgeted to match expenditure over the full year.
- The before tax surplus of \$670k YTD is tracking above the budgeted \$498k. This reflects the lower than budgeted cable car fare and electric bus income being more than offset by lower than budgeted electric bus and cable car operations and maintenance expenses (the lower than budgeted maintenance expenses partially reflects timing differences). There were also lower than budgeted administration expenses.
- The YTD after tax surplus is tracking in line with budget, reflecting a higher than forecast tax expense (a \$131k subvention payment was paid in Q3). The Company anticipates achieving its budgeted after tax result of \$296k for the year.
- The Company had cash and short term investments of \$2.9m at quarter end. This was up from \$2.4m at the end of Q2 due to the strong operating cash flow performance.

Statement of Financial Performance

For the quarter ended 31 March 2013

\$'000	Q3 Actual	Q3 Budget	YTD Actual	YTD Budget	2012/13 FY Budget
Income	2,011	2,788	4,571	7,629	9,935
Expenditure	1,510	2,377	3,901	7,131	9,508
Net surplus (Before tax)	502	411	670	498	427
Operating margin	24.9%	14.7%	14.7%	6.5%	4.3%

Statement of Financial Position

As at 31 March 2013

\$'000	YTD Actual	2011/12 FY Actual	2012/13 FY Budget
Current assets	5,018	5,012	1,821
Non-current assets	5,673	5,669	7,334
Current liabilities	1,885	2,302	876
Non-current liabilities	907	740	745
Equity	7,900	7,639	7,534
Current ratio	2.66	2.18	2.08
Equity ratio	73.9%	71.5%	82.3%

Statement of Cash Flows

For the quarter ended 31 March 2013

\$'000	YTD Actual	2011/12 FY Actual	2012/13 FY Budget
Operating	509	576	4,187
Investing	312	(1,025)*	(4,682)
Financing	(94)	(10)	(290)
Net	726	(459)	(785)
Closing balance	2,938	2,212	721

Note: 2012/13 FY Budget is as approved in the Business Plan

Contact officer:

Maree Henwood

Profile - Wellington Cable Car Limited

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

The company owns, maintains and operates the cable car assets to provide the cable car passenger service, for local commuters and other users from within New Zealand and internationally, financed from passenger fare income. The cable car operation does not receive any external funding or subsidy.



WCCL also owns and is responsible for maintenance of the trolley bus overhead wire network for use by trolley bus services in Wellington. Income from the overhead network is derived from Greater Wellington Regional Council under a contract, on a cost recovery basis, to cover reactive and planned maintenance of the existing overhead network;

The company also earns revenues from pole user charges from utilities using WCCL's poles to support their networks and from infrastructure-related activities undertaken within Wellington City on a profit earning basis, being:

- i) Projects initiated by parties other than GWRC requiring the overhead network to be relocated and/or modified;
- ii) Protection of the trolley bus overhead network from damage by escorting high loads through the city, and protection of parties requiring safe access in proximity to overhead lines by de-energising the lines.

Entity Data

Established	1 July 1991	
Board	Roger Drummond (Chair) Anthony Briscoe Nicki Crauford	<i>Term expires:</i> 31 Dec 2013 31 Dec 2014 30 June 2014
CEO	Des Laughton	
Balance date	30 June	
Number of FTE staff	17.5	
Website	www.wellingtoncablecar.co.nz	
Type of entity	Company	
LGA designation	CCTO	
By reason of	Board control: all Directors appointed by Council	
Council interest	\$3.81 million (<i>book value</i>)	
Type of interest	100% Shareholding	