

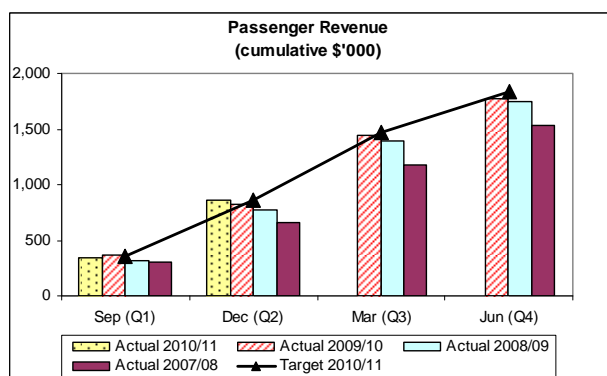
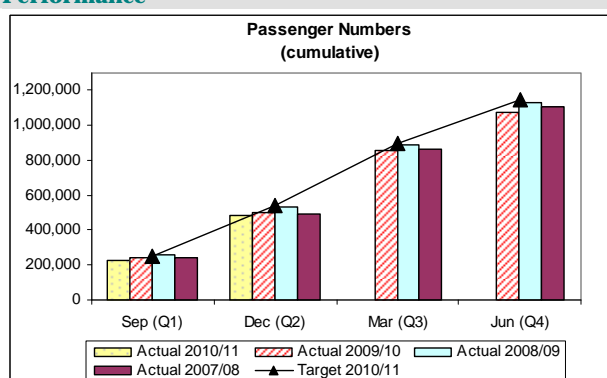
## Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 31 December 2010 for review. A summary of key findings is presented below and the full report is attached.

### Highlights / Summary

- The cable car passenger number for the quarter was 257,180, which was 11.2% below budget but in line with the same period in the previous year.
- Cable car fare income was 4% above budget for the quarter and 13% above the same period last year. This reflects the fare increase that was effective from 1 October 2010 as passenger numbers were flat.
- The Company has commissioned a survey to obtain data on the lower patronage trend, particularly commuters. The results are expected to be available in June 2011.
- The Company and Regional Council executed a long term funding agreement on the trolley bus overhead network.

### 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	1,146,000	289,700	257,180	537,900	485,989
Cable Car reliability (%)	> 99%	> 99%	99.7%	> 99%	99.5%
Fare income \$k	1,840	497	517	857	860

### Activities during the quarter

- General asset replacements as per the Asset Management Plan are the focus now the Manners Mall work has been completed. All of the planned replacements for 2010/11 are expected to be completed.
- General cable car maintenance has continued to be undertaken during the quarter.
- The reliability of the cable car was 99.67% for the quarter.

### Financial Commentary

- The Q2 operating surplus of \$231k was well below the budgeted surplus of \$358k. A higher than budgeted cable car surplus was more than offset by a lower than budgeted surplus in the external activities work. The below budget result in external activities is largely due to timing differences.
- Income and expenses for the overhead division were below budget; again this is a timing issue. Over the full year, revenue for the work undertaken for Regional Council should match expenditure and will be close to budget.
- Cable car fare income YTD of \$860k is largely in line with budget and 5% above last year.
- The YTD operating surplus of \$307k is 3% below the YTD budgeted surplus of \$318k.

### Statement of Financial Performance

For the quarter ended 31 December 2010

\$'000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	2010/11 FY Budget
Income	1,954	4,060	3,838	5,583	11,575
Expenditure	1,723	3,701	3,530	5,265	11,197
Operating surplus	231	358	307	318	378

Operating margin	12%	9%	8%	6%	3%
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### Statement of Financial Position

As at 31 December 2010

\$'000	YTD Actual	2009/10 FY Actual	2010/11 FY Budget
Current assets	2,895	2,426	2,170
Non-current assets	5,962	6,012	6,386
Current liabilities	987	872	850
Non-current liabilities	735	688	745
Equity	7,135	6,878	6,961

Current ratio	2.9	2.8	2.6
Equity ratio	81%	82%	81%

### Statement of Cash Flows

For the quarter ended 31 December 2010

\$'000	YTD Actual	2009/10 FY Actual	2010/11 FY Budget
Operating	628	237	1,360
Investing	(88)	(40)	(1,155)
Financing	(4)	(130)	(389)
Net	535	68	(185)
Closing balance	1,440	905	1,070

Note: 2010/11 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. The cable car operation does not receive any external funding or subsidy.



It also owns and is responsible for maintenance of the trolley bus overhead wire network. Income is derived from the overhead wire network from: contract payments from the regional council to cover maintenance; third party projects requiring the overhead network to be relocated or modified; pole occupancy rentals; and a management fee for handling high load escorts through the city.

### Entity Data

Established	1 July 1991	
Board	Roger Drummond (Chair) Jeremy Ward Position vacant	<i>Term expires:</i> 31 Dec 2011 31 Dec 2011 TBA
CEO	Des Laughton	
Balance date	30 June	
Number of FTE staff	17.5	
Website	<a href="http://www.wellingtoncablecar.co.nz">www.wellingtoncablecar.co.nz</a>	
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	