

Monday 17 October 2022

Finance and Performance Committee  
Wellington City Council

## WCCL QUARTERLY REPORT (FY 2022-23 Q1)

Dear Councillors,

Below you will find a summary of Q1 performance for Wellington Cable Car Limited (WCCL). It is divided into 5 sections:

1. WCCL Q1 results compared to SOI targets
2. Operating performance summary
3. CAPEX - Middle Tunnel Upper Portal Seismic Strengthening
4. Highlights and Key Initiatives for Q1
5. Looking ahead to Q2

### 1. WCCL Q1 results compared to SOI targets

- Q1 results exceeded targets across all performance metrics including 4% above target for revenue and 13% above target for passenger numbers
- Further investigation is taking place into July's revenue variance (15% down) given that passenger numbers were on target. One cause could be the sale of 47 membership which would have counted for 3500 commuter trips. BDO are exploring how membership sales can be adjusted and recorded more accurately for revenue purposes.

## Wellington Cable Car FY 2022-23 Q1 Results



Revenue	Jul-22	Aug-22	Sep-22	Q1 Total
SOI Target	\$ 173,820	\$ 61,808	\$ 129,378	\$ 365,006
Actual	\$ 147,028	\$ 78,538	\$ 153,657	\$ 379,223
Q1 Variance (Rev)	\$ (26,792)	\$ 16,730	\$ 24,279	\$ 14,217
Q1 Variance (%)	-15%	27%	19%	4%

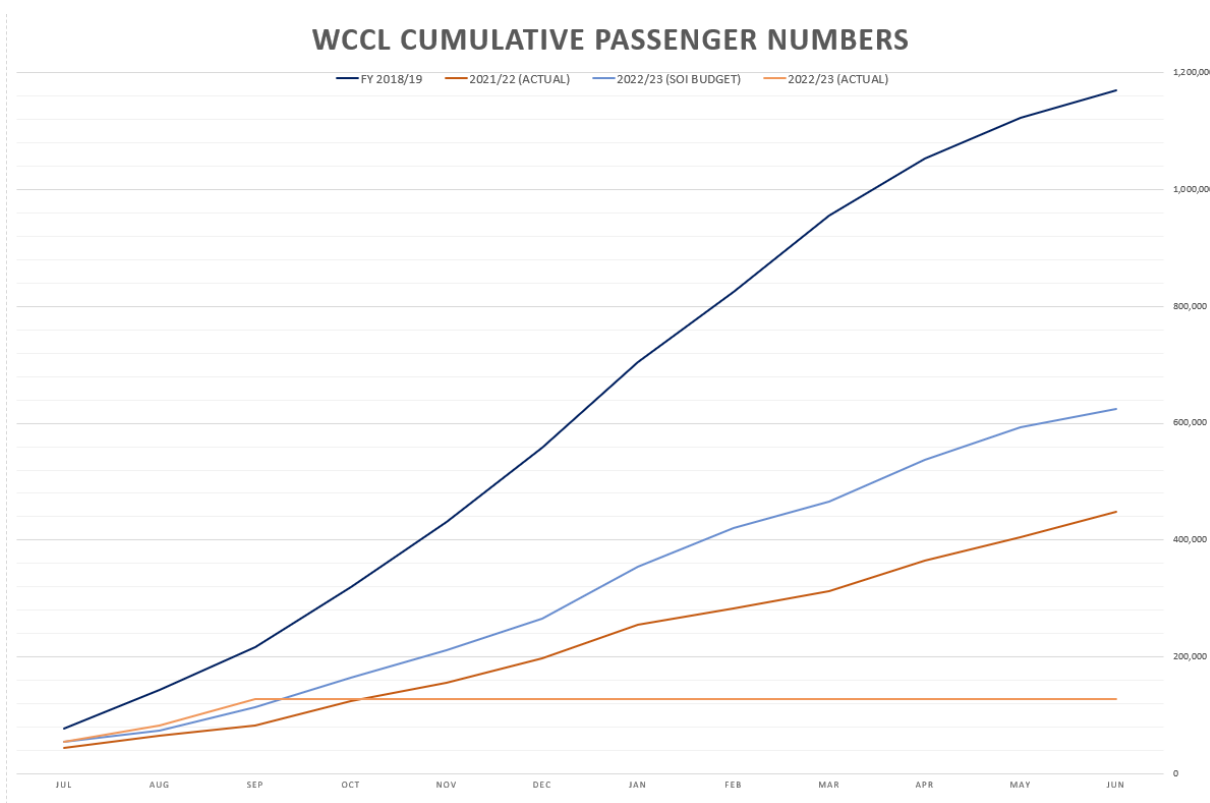
Passenger Numbers	Jul-22	Aug-22	Sep-22	Q1 Total
SOI Target	54,228	19,676	39,999	113,903
Actual	54,650	28,262	45,679	128,591
Q1 Variance (Rev)	422	8,586	5,680	14,688
Q1 Variance (%)	1%	44%	14%	13%

Reliability	Jul-22	Aug-22	Sep-22	Q1 Total
SOI Target	99.00%	99.00%	99.00%	99.00%
Actual	99.62%	100.00%	100.00%	99.87%
Q1 Variance	0.62%	1.00%	1.00%	0.87%



## 2. Operating performance summary

- Passenger number for Q1 were 128,591, a healthy 14,688 above the SOI target and 54% up YOY (Q1 21-22 actuals were 83,146)
- We achieved our NPS target (equal to or greater than the CX average) in each month of Q1
- We continue to rate strongly on Google and Trip Advisor with an overall review of 4.5.
- 31 school groups from 22 different schools hosted in Q1 with 58% of groups taking a tour
- The graph illustrates Actual passenger numbers from FY 2018-2021, FY 2022-23 SOI, re-forecast and actual numbers.



## 3. CAPEX - Middle Tunnel Seismic Strengthening

- Start date was delayed until late July while agreements were finalised with neighbouring landowners
- All the drilling that needed to be completed while the cars were not moving was successfully completed during the AMS
- Drilling and rock anchor testing was slower than planned. The rock is not as solid as expected and this has resulted in more core samples being taken, which delayed drilling further
- In some areas, the depth of the anchors has needed to go twice as deep as originally planned due to the integrity of the rock. This has meant additional work and materials required which will have budget implications. A meeting is scheduled for 18 October to understand these implications
- Contractors successfully completed the required drilling before students' study and exam period which starts on 17 October for a period of four weeks.



## 4. Highlights and Key Initiatives for Q1

- The Annual Maintenance Shutdown was completed successfully 1-11 August with cars returned to service on schedule on Friday 12 August 2022
- Wellington Cable Car achieved Carbon Zero status for FY2021-22. We purchased 50 tons of carbon credits at a cost of \$2,250 (\$45 per ton)
- A draft Customer Management Plan has been created in consultation with long-standing team members, i-SITE, and WellingtonNZ ambassadors. There are two detailed plans to deal with increased visitation (including double cruise ship days) with minimal compromise to the customer experience. This is a fluid document that will evolve as we operate
- In further preparation for the arrival of cruise ships, 35 wholesale trade agreements have been signed and monthly posters and EDMs will be prepared to inform locals about cruise ships dates and expected passenger numbers
- In preparation for summer, we have started a recruitment drive to hire an additional 4-5 casual staff.

### Cable Car Audio

- Improving the customer experience, the informative audio system was installed during the AMS
- We will create further scripts relevant to activations and to connect passengers to nearby attractions



### Training and development

- Key staff development and training was completed during the AMS
- Centered around feedback from the H&S audit, workshops included: risk and safety; customer service; pathway check-ins; goal setting; and the 'DOPE 4 Bird Personality Test' run by Humankind



### Cable Car first

- In July we had a historical first. A rainbow wedding on the Cable Car. This was during operation and in front of the public. It gained good social media coverage.



### Tiki Tour

- Taking advantage of scheduled maintenance, the cable car model was taken on a Tiki Tour with content displayed exclusively on social media
- CCOs and other Wellington hotspots all took part and the tour generated good social engagement



## 5. Looking ahead to FY 2022-23 Q2

- Increasing visitor numbers
  - We are operationalising plans to welcome international visitors, including the first cruise ship visitors who arrive from 25 October. A scheduled 'double ship' day on 3 December, that would have seen over 7,000 passengers disembark, has been avoided with stakeholders re-scheduling one of the ships to Picton, to now arrive in Wellington the following day
- Covid-19
  - With a third wave predicted, our operational pandemic plan will be used as a guide should someone or the whole team come down with Covid-19
- Partnerships
  - We are working with the Events and Social Media teams at WCC to deliver Christmas and January activations
  - Working with Mana Whenua and Council on joint employment opportunities for young Māori

Tansy Tompkins

WCCL Chief Executive

