



WELLINGTON CABLE CAR LTD

Report to the Wellington City Council LTP, Finance & Performance Committee FY24 - Second Quarter ending 31 December 2023

Highlights

- On 30 December we had our busiest day of the year with 7,109 casual passengers (ie: excluding students, commuters, and Gold Card) riding the cars. We also welcomed our millionth passenger for the 2023 year - the first time we've hit that milestone since before the pandemic. The milestone received good press coverage.
- Whilst we fell slightly short of our Q2 passenger target due to ship cancellations, YTD cumulative passenger numbers are tracking at 3.1% over SOI budget, and 24.2% above FY23.
- Cable car revenue for Q2 was \$1,056m - higher than the SOI budget of \$1,013m. Year to date revenue for FY24 is also significantly higher than the same time last year (\$1,693k vs \$1,243m for YTD FY23). Net profit before LTP Funding and income tax is \$263k YTD.
- On 1 October Snapper was removed as a form of payment on the Cable Car. A detailed transition project was implemented with key milestones successfully met and minimum disruption for our frequent travellers.
- In October we completed phase two of installing Feather Friendly® bird decals on the Kelburn Terminal. To date there have been no further bird strikes.
- We developed a winding room activation for WCC's Seniors Week - Te Wiki Kaumātua.
- We extended our visibility within the student community by accepting International Student Identity Cards (for international students studying in NZ) and increased our online presence through the ISIC website.
- We undertook an internal review of our auditory, visual and mobility accessibility, and developed upgraded website content. We also engaged with Be Accessible, WCC, and met with the team behind the Hāpai Access card to see how the Cable Car can get involved.
- Our inaugural 'Dogs of the Cable Car Calendar' was launched. Positive sales figures will see approximately \$5,000 donated to the Blind Low Vision Guide Dogs Programme.
- Although breakdowns are rare, we implemented a text alert process through Spark, ensuring our local commuters are alerted when we are not running. This has received a positive response from the community with around 400 signups.

Challenges

- The initial rollout of the Customer Management Plan for the cruise/summer season has been successful, however the need to manage queues and overflow onto Lambton Quay on busy days has been identified as a focus area. We have made some changes including suspending online sales on days when more than 2,000 passengers are expected and will continue to monitor.
- We have still not heard back from Worksafe regarding the applicability of the Passenger Ropeway Regulations to the Wellington Cable Car. Further legal advice noted that it would be very unlikely that WorkSafe would prosecute an organisation that is proactively reaching out to the regulator to understand its obligations (particularly where there have been significant delays in WorkSafe's response, and where another regulatory regime is in place with similar objectives ie: WCCL has a safety case approved by Waka Kotahi pursuant to the Railways Act)

Performance Measures (KPIs) in the SOI

QUARTERLY MEASURES

MEASURE	ACTUAL (FY24 Q2)	SOI TARGET (FY24 Q2)	ACTUAL (YTD)	SOI TARGET (YTD)	TRACKING
Tickets sold	277,410	291,000	465,977	452,000	On track
Fare revenue	\$1,055,775	\$1,013,600	\$1,693,140	\$1,520,900	On track

ANNUAL MEASURES

MEASURE	ACTUAL (YTD)	SOI TARGET (YTD)	TRACKING
Achieve Carbon Zero accreditation	Achieved	Achieve	On track
Waste minimisation reduction		5% YOY	Not on track
Rail Safety Licence		Maintain	On track
Active management of Health and Safety		Maintain	On track
NPS equal to or better than CXI benchmark		Maintain	On track
Google rating		4.2 or higher	On track
TripAdvisor rating		4.2 or higher	On track
Cable Car reliability		>99%	On track

Financial Performance Summary

	Year to Date (\$000s)			Full Year (\$000s)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue	1,841	1,613	228	3,860	3,602	258
Expenditure	1,579	1,818	(239)	3,238	3,524	(286)
Net Surplus/Deficit before Grants	262	(205)	467	622	78	544
WCC Grants	-	-	-	-	-	-
Recognition of LTP Grant utilised	164	250	(86)	284	250	34
Net Surplus/Deficit after Grants	426	45	381	906	328	578

Coming Up

- March will see some of our busiest ever days with several double-ship days bringing over 7,000 passengers a day.
- Fare revenue of \$1,295m is targeted for Q3 and the SOI Budget anticipates net profit before tax of \$457k (excluding any release of LTP Funding as income).
- We have reforecast expenditure for the remainder of the year, resulting in full year forecasted net profit before tax and LTP Funding of \$628k.
- We are meeting with Deloitte, as Tax advisors for Council, on Friday 26th February to agree processes for utilising Council tax losses to offset WCCL's taxable income.
- A Detailed Seismic Assessment of the Bridges is underway and is expected to be completed in late March 2024.
- We are working with Victoria University to finalise the easement for our tunnel strengthening anchors.

- We are starting to look more closely at our electricity use to better understand our opportunities to reduce consumption. We have recently made some small changes which appear to have achieved savings in the last quarter. Electricity use has reduced by 11.5% in Oct, 11.8% in Nov and 5.0% Dec compared to last year.
- Following the recommendation from our auditors, we have determined the costs for almost all our spare parts. We are working on the estimated useful life and hope to determine this as best we can in Q3.
- We will investigate installation of solar panels on the roof of the Kelburn Terminal and/or on the side of the upper section of track.
- In January we will complete our Waka Kotahi Rail Safety Licence assessment.
- In conjunction with WellingtonNZ we will be a key partner in the Faultline Ultra Event, 21 April 2024 where hundreds of participants will start their run with a trip on the Cable Car.
- We will recommence negotiations with AON regarding our FY25 insurance cover and premium.