

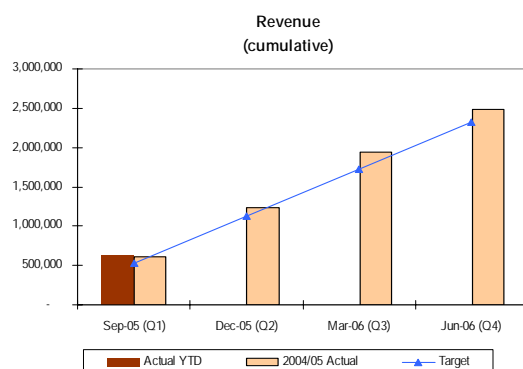
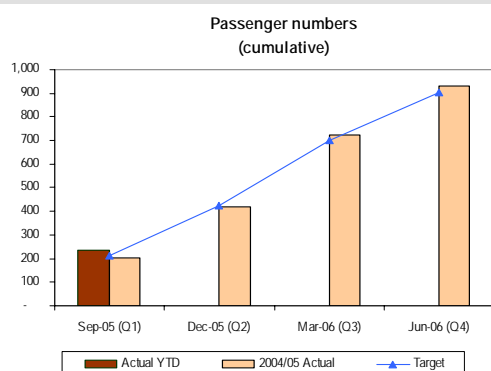
Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 30 September 2005 for review. A summary of key findings is presented below and the full report is attached.

Highlights: achievements

- Cable Car passenger numbers continue to grow, with first quarter passenger numbers exceeding the numbers for the equivalent period last year by 14%.

Performance



Macro Key Performance Indicators

The following KPI's have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
Cable Car passengers ('000)	904	210	234
Cable Car reliability	100%	100%	100%
Fare & subsidy income (\$'000)	2,036	463	532
Number of complaints from trolley bus operator	nil	nil	nil

All KPI's will be reviewed for the next SOI round once the ownership and future direction issues relating to the trolley bus network are clarified.

Activities during the quarter

- Negotiations for the sale of the trolley bus overhead network to GWRC are continuing. As part of this process, WCC and GWRC have commissioned an independent consultants report on the condition of the network. This report will be available by 30 November 2005.
- WCCL has met with GWRC to discuss a new maintenance contract for the trolley bus overhead network. However, little progress has been made as it appears GWRC are awaiting the outcome of the sale negotiations.
- Preliminary designs for the refurbishment of the Lambton terminal are almost complete.
- Work has continued on formalising the lease for the land occupied by the Cable Car.

Financial Commentary

- WCCL has posted an operating surplus of \$92,000 for the quarter compared to a budgeted deficit of \$30,000. This results from better than budgeted income from both the cable car and trolley bus overhead network project work associated with road changes, and operational costs less than budgeted.
- While some of the cost savings result from timing differences only, the increased revenues are permanent gains and the company is confident of achieving a better than budget result for the financial year.

Statement of Financial Performance

For the quarter ended 30 September 2005

\$'000	Q1 Actual	Q1 Budget	YTD Actual	YTD Budget	FY Budget
Income	623	535	623	535	2,324
Expenditure	531	565	531	565	2,259
Operating surplus	92	(30)	92	(30)	65

Operating margin	14.7%	-5.6%	14.7%	-5.6%	2.7%
Return on equity	2.3%	-	2.3%	-	1.6%

Statement of Financial Position

As at 30 September 2005

\$'000	YTD Actual	2004/05 Actual	FY Budget
Current assets	1,633	1,530	1,229
Non-current assets	2,600	2,593	2,785
Current liabilities	336	317	120
Non-current liabilities	-	-	-
Equity	3,897	3,806	3,894
Current ratio	4.8:1	4.8:1	10.2:1
Equity ratio	92%	92%	97%

Statement of Cash Flows

As at 30 September 2005

\$'000	YTD Actual	2004/05 Actual	FY Budget
Operating	(19)	519	106
Investing	(31)	(33)	(293)
Financing	-	(24)	-
Net	(50)	462	(187)
Closing balance	852	902	659

Note: FY Budgets are as approved in the Business Plan.

Contact officer: Michael Hesp

Profile - Wellington Cable Car Limited

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

The company maintains the Cable Car assets and oversees the passenger service contract (for operations of the Cable Car). This is currently held by Transfield. It also contracts the maintenance and repair of the trolley bus overhead system, and monitors the day-to-day performance of this contractor (currently Stagecoach). WCCL is required to maintain an inventory of materials for the maintenance of the overhead system.



WCCL negotiates a transport subsidy from the Wellington Regional Council to cover the costs of the trolley bus overhead system. The Cable Car operation does not receive any subsidy.

Entity Data

Established	1 July 1991	
Board	Rob Thompson (Chair) John Rutledge Jeremy Ward	<i>Term expires:</i> 31 Dec 05 31 Dec 05 31 Dec 07
General Manager	Brian Brown	
Balance date	30 June	
Number of FTE staff	3	
Website	www.wellingtonnz.com/cablecar/	
Type of entity	Company	
LGA designation	CCTO	
By reason of	Board control: all Directors appointed by Council	
Council interest	\$3.8 million (<i>book value</i>)	
Type of interest	100% Shareholding	