

# WELLINGTON CABLE CAR LIMITED

## ANNUAL REPORT 2006/07 REVIEW

### 1. Introduction

The directors of Wellington Cable Car Limited (WCCL) have submitted their audited annual report for the year to 30 June 2007.

### 2. Key Issues

- The sale of the trolley bus network continues to be deferred while Council finalises its Broadband strategy
- The contract for the maintenance of the trolley bus overhead network is going out to tender and WCCL expect to award a contract in late 2007. The previous agreement with Stagecoach (which expired on 30 June 2004) was not rolled over due to unresolved performance conditions. An increased maintenance programme of the trolley bus network, agreed with Greater Wellington Regional Council (GWRC) is being carried out using the services of other contractors
- When the cable car passenger service contract with Transfield expired in March 2007, WCCL brought the operation in-house to enable better control of, and improvement to the levels of customer service

### 3. Performance

#### a. Financial

#### Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2005/06 Actual
Income	2,914	2,909	2,692
Expenditure	2,749	2,736	2,422
Operating surplus	165	173	270
Operating margin	5.7%	6.0%	10.0%
Return on equity	3.9%	4.8%	6.7%

#### Statement of Financial Position

\$ '000	FY Actual	FY Budget	2005/06 Actual
Current assets	1,010	825	1,963
Non-current assets	3,858	2,947	2,684
Current liabilities	627	130	571
Non current liabilities	-	-	-

Equity	4,241	3,642	4,076
Current ratio	2.6 : 1	6.3 : 1	3.4 : 1
Equity ratio	87%	97%	88%

### Statement of Cash Flows

\$ '000	FY Actual	FY Budget	2005/06 Actual
Operating	512	(159)	482
Investing	(1,335)	42	(191)
Financing	-	-	-
Net	(823)	(117)	291
Closing balance	370	295	1,193

*Note: the Trust's financial statements have been prepared using NZ IFRS and comparatives for the previous year have been restated to NZ IFRS accordingly.*

### b. KPI's

The performance measures for 2006/07 are:

Performance indicator	Measure	Result	
Cable car vehicles, Track, Tunnels, bridges, buildings and equipment are maintained to required safety standards	Approval by Transport NZ to be done by February each year	Approval granted	Achieved
Inspection, maintenance and repair of trolley bus overhead network are carried out	Number of complaints by trolley bus operator	None	Nil
Compliance with appropriate regulations and statutes	Number of adverse comments from the relevant regulatory authorities	None	None
Budgetary requirements approved by the WCCL Board are met	Degree of variance from budget	Within 10% or Board approved variance	Achieved
Board delegations are adhered to	Board and management approvals of commitments and expenditure	All approvals of expenditure and commitments are in accordance with delegations policy	Achieved

Passenger numbers for the year:

Passenger Journeys	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<b>Budget</b>	210,000	215,000	275,000	204,000	904,000
<b>Actual</b>	223,708	240,192	339,864	226,926	1,030,690

Resident's Satisfaction Survey:

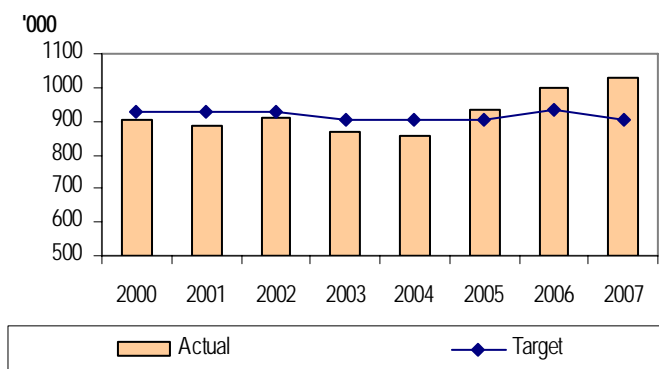
Question	Response
Have you used the Cable car in the last 12 months?	51%
How do you rate the standard and operational reliability of the cable car (Good/Very good)	89%

Cable car reliability 99.95%

	2006/07 Actual	2006/07 Target	2005/06 Actual
<b>Reliability</b>	99.95%	100%	99.9%

### c. Trends

Passenger numbers



### 4. Key items from the year

- An increase in fares and visitor numbers to Wellington lead to higher than budgeted fare income; visitor numbers for the year of 1,030,690 were up 2% on 2005/06

- A major refurbishment of the Lambton Quay Terminal was completed in December 2006.

## **5. Governance**

There were no changes in governance during the year. The current directors are:

Mr. R Drummond  
Mr. J C Rutledge  
Mr. J Ward

## **6. Comments Regarding Council**

Clear lines of communication, and appropriate consultation continued between WCCL and Council.

## **7. Future Plans / Issues**

- GWRC has advised that they are unable to meet the full cost of the required maintenance, leaving a shortfall of \$350,000 in the maintenance budget. WCCL and Council officers are in discussions with GWRC with a view to achieving appropriate funding via the GWRC Annual Plan process
- A decision is yet to be confirmed by GWRC but it is understood that long-term contracts for the upgrade of the trolley bus service are close to finalisation
- Council officers continue to work with the Company to ensure that their KPI's are a reliable and meaningful measurement of performance.

## **8. Conclusion**

The cable car operations have performed well again during the year, with increased visitor numbers and a strong record of reliability. The Board and Management retained a strong focus on a high standard of asset maintenance to ensure public safety.

By bringing operations in-house, the Board are better positioned to address customer service levels and the visitor experience.