

Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 30 September 2007 for review. A summary of key findings is presented below and the full report is attached.

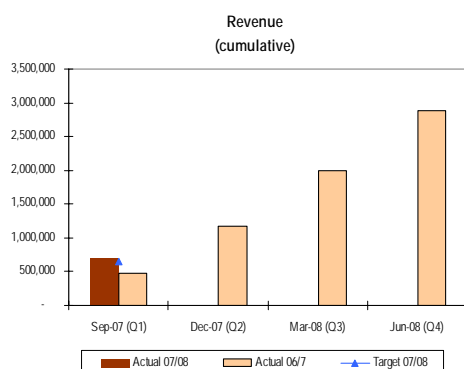
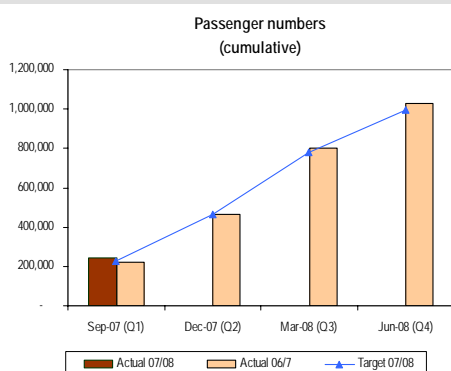
Highlights: achievements

- Visitor numbers 20,000 (9%) ahead of budget

Activities during the quarter

- Discussions continued with GWRC to establish appropriate contractual arrangements to ensure adequate maintenance of the trolley bus network
- Based on the feedback received, the company considers that the 'in-house' operation of the cable car has resulted in improved levels of customer satisfaction
- It is understood that GWRC and NZ Bus have agreed a contract for the upgrade of trolley buses; NZ Bus has also signed an agreement with Vector to improve the overhead network electrical inputs

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)		224	244
Cable Car reliability			
Fare & subsidy income (\$'000)	3,236	642	695

Financial Commentary

- Quarterly performance was \$46k ahead of the budgeted \$1k loss, mainly due to higher than forecast visitor numbers and lower than expected network overhead costs
- Pole and trolley overhead income is below budget for the quarter, but is expected to exceed the annual forecast by year-end
- Administration charges were 26% (\$13k) over budget for the quarter, largely due to unbudgeted legal fees

Statement of Financial Performance

For the quarter ended 30 September 2007

\$'000	Q1 Actual	Q1 Budget	YTD Actual	YTD Budget	FY Budget
Income	729	700	729	700	3,348
Expenditure	684	701	684	701	3,096
Operating surplus	45	(1)	45	(1)	252

Operating margin 6% 0% 6% 0% 8%

Statement of Financial Position

As at 30 September 2007

\$'000	YTD Actual	2006/07 Actual	FY Budget
Current assets	923	1,010	
Non-current assets	3,830	3,858	
Current liabilities	469	627	
Non-current liabilities	-	-	
Equity	4,284	4,241	
Current ratio	2.0 : 1	2.6 : 1	
Equity ratio	90%	87%	

Statement of Cash Flows

As at 30 September 2007

\$'000	YTD Actual	2006/07 Actual	FY Budget
Operating	(129)	512	
Investing	(27)	(1,335)	
Financing	-	-	
Net	(156)	(823)	
Closing balance	214	370	

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

Contact officer:

Warren Ulusele

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 was held by Transfield till 31 March 2007. 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	Roger Drummond (Chair) John Rutledge Jeremy Ward	<i>Term expires:</i> 31 Dec 2008 31 Dec 2007 31 Dec 2007
General Manager	Brian Brown	
Balance date	30 June	
Number of FTE staff		
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	