

Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 30 September 2008 for review. A summary of key findings is presented below and the full report is attached.

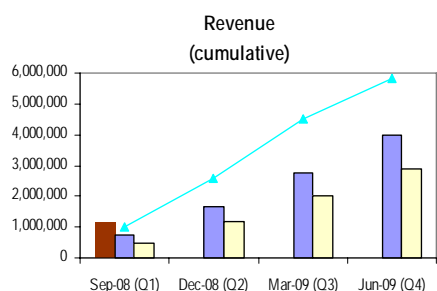
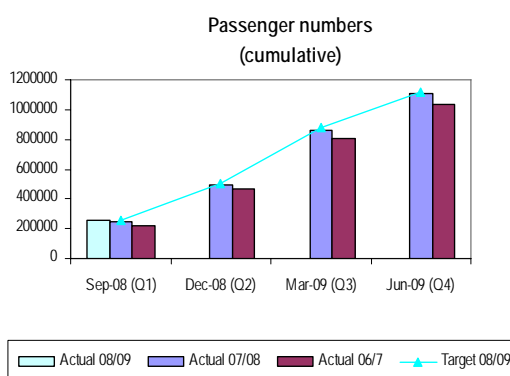
Highlights: achievements

- Passenger numbers continue to rise with the 253,116 passengers using the Cable Car during the first quarter representing an increase of 4% on 2007/08.

Activities during the quarter

- The introduction of upgraded trolley buses has led to performance issues of the buses due to Vector's supply cables being out of service; the Company had previously flagged this as a potential issue
- The Company continues to progress a new agreement with Greater Wellington for the overhead maintenance contract. Whilst there are some issues to be resolved, broad agreement has been reached over the key issue of funding.

Performance



Macro Key Performance Indicators

The following KPIs have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
Cable Car passengers ('000)	1,486,019	253,501	253,116
Cable Car reliability (%)	> 99%	>99%	100%
Fare & subsidy income (\$'000)	5,654,982	1,014,406	1,143,000

Financial Commentary

- The YTD surplus of \$89k is ahead of the budgeted deficit of \$32k due to the following:
 - a temporary surplus on the trolleybus overhead network of \$89k
 - a permanent surplus on the cable car operations of \$12k, and
 - a permanent surplus of \$21k from administrative on-charges of high load escort services
- The Company's cash balance increased from \$457k at 30 June 2008, to \$606k at 30 September. Their liquidity ratio of 2.5 further enhances the Company's ability to pay a dividend to the Council.

Statement of Financial Performance

For the quarter ended 30 September 2008

\$'000	Q1 Actual	Q1 Budget	YTD Actual	YTD Budget	FY Budget
Income	1,143	1,014	1,143	1,014	5,806
Expenditure	1,054	1,046	1,054	1,046	5,519
Operating surplus	89	(32)	89	(32)	287
Operating margin	8%	-3%	8%	-3%	5%

Statement of Financial Position

As at 30 September 2008

\$'000	YTD Actual	2007/08 Actual	FY Budget
Current assets	1,751	1,876	921
Non-current assets	6,392	6,397	6,190
Current liabilities	695	913	200
Non-current liabilities	735	735	-
Equity	6,713	6,625	6,911
Current ratio	2.5 : 1	2.1 : 1	4.7 : 1
Equity ratio	82%	80%	96%

Statement of Cash Flows

As at 30 September 2008

\$'000	YTD Actual	2007/08 Actual	FY Budget
Operating	211	227	(312)
Investing	(62)	(137)	46
Financing	453	(3)	-
Net	150	87	(266)
Closing balance	606	457	191

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) Christine Southey Jeremy Ward	<i>Term expires:</i> 31 Dec 2008 31 Dec 2010 31 Dec 2010
General Manager	Brian Brown	
Balance date	30 June	
Number of FTE staff		
Website	www.wellingtonnz.com/sights_activities/wellington_cable_car	
Type of entity	Company	
LGA designation	CCTO	
By reason of	Board control: all Directors appointed by Council	
Council interest	\$4.24 million (<i>book value</i>)	
Type of interest	100% Shareholding	