

# WELLINGTON CABLE CAR LTD

Report to the Wellington City Council LTP, Finance & Performance Committee

Third Quarter ending 31 March 2023

## Highlights

- Visitor numbers continued to exceed SOI targets with Q3 passenger numbers of 342,299 (71% above target) and revenue of \$1.304m (101% above target). 717k passengers have been recorded for the year to date, versus full year SOI target of 624k. Fare revenue to 31 March 2023 is \$2.53m, already surpassing the SOI revenue budget of \$2.02m. Full year fare revenue is estimated at \$3.14m
- Our tunnel strengthening project nears completion and we have requested quotes from four engineers to undertake the seismic assesment of our three bridges
- We celebrated our 121<sup>st</sup> birthday. For the month of February, historic images with interesting facts were posted on social media and the terminals were decorated in photographs throughout the years
- WCCL featured in the March edition of City Arts Pānui, inviting Wellington creatives and artists to use our spaces and places to exhibit their work and entertain customers
- The decision was made to continue with our current opening hours and not return to a winter seasonal timetable. The visitation and schedule of events in Wellington throughout 2023 were key factors in this decision
- We remain engaged with the WCC Tūpiki Ora Māori Strategy and have proposed a gateway placement, offering to support The Rangatahi Youth programme in term two

## Challenges

- In Q2 we mentioned that the Snapper technology WCCL uses will reach end of life by June 2023 when Snapper intend to remove it. The WCCL board met to discuss the proposed solution (Snapper-on-Rail), and agreed that the investment required (circa \$700k over FY24-26) before the National Ticketing System rolls out in Wellington (which would make Snapper obsolete), was cost prohibitive and not best use of funds. WCCL are working with Snapper on communications to customers ahead of a proposed August withdrawl of the service. WCCL will also investigate new product offerings to suit those Snapper locals who choose not to make use of WCCL's current multi-trip and membership products
- April is forecast to be another positive month with Easter and school holidays, with passenger numbers then falling again as we move into the colder months. Overall, we are forecasting a profit of \$261k for the year, excluding the LTP Funding grant. We'll continue to track this in the coming months in order to ensure we are staying on top of any tax requirements that may be applicable if profits continue to rise. Tax losses carried forward from prior years are nearly utilised by 31 March 2023, but if forecasted deficits for May and June 2023 come to fruition then it is likely taxes won't be payable until the 2024 year.

## Performance Measures (KPIs) in the SOI 2023/24

### QUARTERLY MEASURES

MEASURE	ACTUAL (FY23 Q3)	TARGET (FY23 Q3)	ACTUAL (YTD)	TARGET (YTD)	TRACKING
Tickets sold	342,299	199,875	717,405	624,280	Achieved
Fare revenue	\$1.304m	\$649.4k	\$2.547m	\$2.02m	Achieved

### ANNUAL MEASURES

MEASURE	ACTUAL (YTD)	TARGET (YTD)	TRACKING
Achieve Carbon Zero accreditation	Achieved	Achieve	Achieved
Waste minimisation reduction		5% YOY	On track
Rail Safety Licence		Maintain	On track
Active management of H&S		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
<b>Revenue</b>	2,709	1,509	1,200	3,352	2,019	1,333
<b>Expenditure</b>	2,332	2,505	(173)	3,091	3,252	(161)
<b>Net Surplus/Deficit before Grants</b>	377	(996)	1,373	261	(1,233)	1,494
<b>WCC Grants</b>	-	685	(685)	-	891	(891)
<b>Recognition of LTP Grant utilised</b>	1,098	-	1,098	1,133	-	1,133
<b>Net Surplus/Deficit after Grants</b>	1,475	(311)	1,786	1,394	(342)	1,736

## Coming Up

- The latest reforecast does not anticipate any Covid-19 support grant will be received from Council for the 2023 year. A wash-up will be calculated at that point and support will only need to be provided if there is an operating deficit before grants and depreciation
- The tunnel strengthening project will be completed with heritage signoff scheduled for 27 April
- Seismic assessment of our three bridges will start with a report expected in early July as to their condition. Prioritisation of all seismic projects will then be undertaken to inform 2024 LTP funding applications
- WCCL will undertake our Qualmark assessment on 24 May where we aim to retain our Qualmark Gold accreditation
- In April we will relaunch Red Rocket, a collaboration with Space Place, which will run until November 2023
- Our new ticketing system, which allows space for cross promotion of other venues, will be in place with Space Place's Tūhura Tuarangi exhibition being the first to utilise the opportunity
- Planning will commence for our Annual Maintenance Shutdown (14-21 August) including schedules for both engineering and maintenance, and staff training and development
- Alongside celebrations and commemorations for Anzac Day and the King's Coronation, WCCL will also be supporting Pink Shirt Day again on 19 May with staff uniforms, decorations, tunnel lights and social posts supporting the cause
- Phase 2 of the Feather Friendly Project (window decals on the Kelburn Terminal to prevent bird strike) will be undertaken. This includes the lower part of the north wall, and the upper windows of the Upland Road entrance being decaled.