A red cable car with the number 1 on its front is traveling through a tunnel. The tunnel's interior is lined with a series of concentric, ribbed arches that are illuminated with a rainbow gradient, transitioning from red on the left to purple on the right. The cable car is positioned on tracks that run along the bottom of the tunnel, heading towards a bright opening at the far end. The overall scene is vibrant and colorful.

Wellington Cable Car Limited Statement of Intent FY 2022/25

**Presented to:
Wellington City Council
in line with the Local Government Act (2002)**

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In accordance with the Local Government Act 2002, this Statement of Intent (SOI) states the planned activities, intentions, and performance measures for the Wellington Cable Car (WCCL) for the next three years. It responds to the Wellington City Council (WCC) December 2021 Letter of Expectation.



INTRODUCTION

Wellington Cable Car Limited (WCCL) has been a profitable Council Controlled Organisation (CCO) for many years. As such, it did not require funding assistance from Wellington City Council (WCC) and was in a strong position where WCCL self-funded all its ongoing maintenance, CAPEX, and asset renewals and maintained good financial reserves.

This position has changed significantly due to the impacts of COVID-19. If we take FY 2018/19 as a pre-COVID baseline year, WCCL hosted 1.17M trips and generated \$5.3M in operating income and a before-tax surplus of \$930k. In FY 2021/22, due to COVID-19 impacts, trip numbers are expected to decrease to 330k, and operating income to fall to \$1.2M. This represents a 77% reduction in operating revenue and a 72% reduction in trips in just three years. For FY 2021/22, despite receiving direct support from the Council of \$1.3M, WCCL is forecasting a before tax deficit of \$576k. (See Figure 1). This unprecedented change in the operating environment due to COVID-19 has severely impacted WCCL's immediate future financial situation.

All businesses that have exposure to tourism across Aotearoa face these challenges, including many in our CCO whānau. However, WCCL is unique in that its passenger numbers were heavily reliant on cruise ship and international visitors to Wellington while providing a commuter service to connect the CBD to VUW, Kelburn and surrounding areas.

While this situation is beyond our control, our focus is to continue to tighten our belts as and where we can while never losing sight of the fact that we are a community asset and provide a service to many Wellingtonians. Our community is our whānau too, and rightly feels a sense of ownership and pride in who we are and what we do.

WCCL recognised early on that there is no silver bullet, however, our ultimate success was to be made of thousands of small wins to make a meaningful difference to enable us to survive until cruise ships and international tourists returned to Wellington. For its part, WCCL has sought to right size the business through cost-cutting, streamlining operations, and renegotiating terms of external contracts where appropriate to adapt to the current economic environment. We have developed a more nimble and adaptable business framework while prioritising all essential maintenance and repairs and the wellbeing of our people. Our marketing and promotion approach has refocused on being very tactical, linked to activities and other activations within the precinct and city. In short, we are running as lean as possible.

	2018/19	2019/20	2020/21	2021/22 Re Forecast	2022/23 Budgeted	2023/24 Budgeted	2024/25 Budgeted
Passenger numbers	1,170,392	862,487	567,721	331,844	624,280	798,305	936,350
Operating expenditure	\$ (3,984)	\$ (3,376)	\$ (2,886)	\$ (2,646)	\$ (2,911)	\$ (3,292)	\$ (3,485)
Operating income	\$ 5,304	\$ 2,910	\$ 1,713	\$ 1,070	\$ 2,020	\$ 2,769	\$ 3,438
Grants & Subsidies	\$ -	\$ 139	\$ 1,639	\$ 1,309	\$ 891	\$ 523	\$ 47
Profit/(Loss) Before Tax & Depreciation (EBITDA)	\$ 1,320	\$ (327)	\$ 466	\$ (267)	\$ -	\$ -	\$ -
Depreciation	\$ (389)	\$ (294)	\$ (579)	\$ (309)	\$ (341)	\$ (341)	\$ (341)
Profit/(Loss) before Tax	\$ 930	\$ (621)	\$ (113)	\$ (576)	\$ (341)	\$ (341)	\$ (341)
Closing Cash Position	\$ 5,007	\$ 3,786	\$ 3,174	\$ 3,155	\$ 3,509	\$ 3,451	\$ 3,687

Figure 1- WCCL Commercial position

Now in the third year of the pandemic, Wellington Cable Car continues to be highly exposed to reduced visitor numbers. Anecdotal evidence from the Auckland lockdown in October–December 2021 resulted in an estimated 30% decrease in domestic visitation for the Cable Car. It is not simply the impact of closed borders -- the Auckland lockdowns in 2021, a local workforce still working from home, and changing isolation requirements related to COVID variants have also resulted in a significant decrease in commuters and domestic passengers.

Currently, NZ is slowly re-opening its international borders, so we have accounted for the gradual return of international tourism in visitor and revenue forecasts. If air or maritime borders were to close due to the emergence of new variants, or commercial tour and cruise operators decided not to visit Wellington, it would significantly negatively impact visitor and revenue forecasts. At the time of writing, it is not clear how many cruise ships will visit Wellington during FY2022/23, but the assumption has been made to include a gradual return to those visitors.

There is no doubt that this national icon will continue operating. Since the pandemic began, the Cable Car has drawn on its cash reserves earmarked for future CAPEX and asset replacement to cover operational losses. Until international travel recovers, tourism numbers return, and local business activity returns to pre-pandemic levels, the Cable Car will continue to rely on WCC funding.

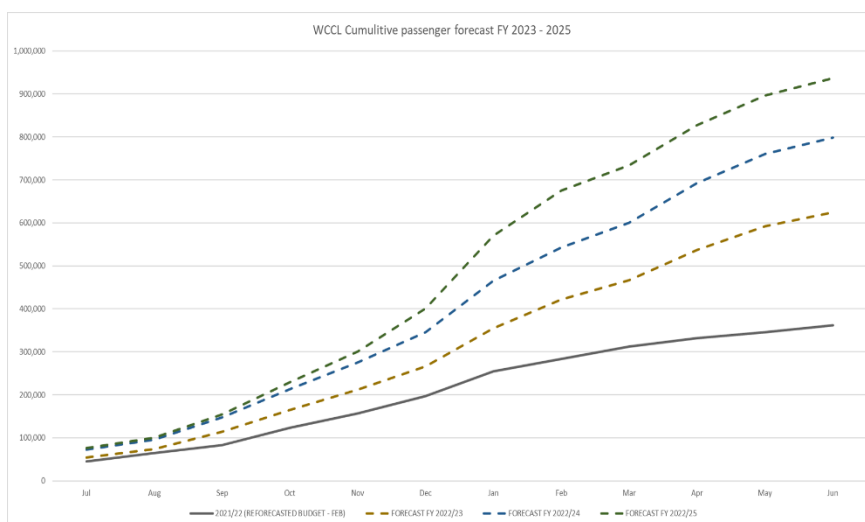


Figure 2 - WCCL Passenger forecast

The Cable Car Board and management are deeply appreciative of ongoing support from Council that has enabled the company to maintain its service to Wellingtonians with minimal disruptions. Current forecasts indicate that over the next three years, WCCL will post before depreciation deficits of approximately \$1.5M so this would be the indicative financial support required from WCC. **This is our current updated forecast as at April 2022 in reference to feedback received from WCC.**

Direct funding is essential for the long-term maintenance and asset renewal of the Cable Car. This combination of low visitation and upward pressure on the cost of doing business means that cash reserves continue to be eroded. With ongoing WCC grant support, the Cable Car will continue to deliver to Council expectations of our business, whether we endure the COVID–19 storm for a longer period or facilitate a faster bounce back. Without ongoing Council support, running down these reserves will mean that future renewal and maintenance costs will require shareholder funding.

I. ABOUT WELLINGTON CABLE CAR (WCCL)

I.1. Who We Are

Wellington Cable Car Limited (WCCL) is a Council Controlled Organisation (CCO) with Wellington City Council (WCC) as the sole shareholder. We are governed by an independent Board of Directors appointed by WCC.

As kaitiaki of this Te Whanganui-a-Tara taonga, WCCL delivers an iconic and valued service and is responsible for the ongoing maintenance and safe operation of the Cable Car business, ensuring it adheres to the highest safety and engineering standards and complies with all relevant legislation.

I.2. Our Shared Purpose

In 2020 WCCL adopted a new shared purpose and guiding values to **'Host uniquely Wellington experiences that locals are proud of, and visitors remember and share'**.

Ongoing key elements of this are:

Kaitiakitanga

Custodians of a Wellington taonga and our environment

Safe Workplace

Safe site and safe conversations

Guest Centred

The guest experience makes our business

Pride

We strive to take pride in everything we do

Team

The team works together to deliver consistently great Wellington experiences

Adaptability

We embrace new ideas to sustain and improve our business

I.3. Our Place in Te Whanganui-a-Tara / Wellington

WCCL is an iconic Te Whanganui-a-Tara / Wellington attraction:

- A community asset for Te Whanganui-a-Tara of which we are all proud
- A reliable source of transport for residents and VUW students
- An invaluable 'connector' between local businesses and attractions (including CCOs and Council) in Kelburn-Paekākā and the CBD
- A 'must do' activity for all visitors to the capital
- A tourism symbol indelibly linked with the Wellington identity and community

2. LET'S TALK ABOUT COVID

None of us want to be talking about COVID-19 three years down the track, but the reality is it's still here, still impacting operations and having long-term effects on our business.

Despite Aotearoa enjoying high vaccination and booster rates plus vaccines for youngsters, we still face the new variants, high case numbers and hospitalisations, some closed international borders and severely reduced domestic visitation for some time to come. At the time of writing, the Government's position does not signify a full return to 'normal' anytime soon.

Tourism Industry Aotearoa (TIA) statistics to March 2021 show a 91.5% decline in international visitor spend in NZ to just \$1.5 billion, compared to the pre-pandemic annual spend of \$17.5b. The Cable Car financial results reflect these statistics.

WCCL has adapted to these changing circumstances and has developed a COVID-resilient operational plan that is nimble, flexible, reactive to change and proactive where possible and applicable. Our approach to marketing has become much more targeted and tactical. Covid-resilient success stories in FY 2021/22 include:

- **Bark and Ride initiative** enables dogs to ride on the Cable. We empower connection with ever-increasing numbers of CBD residents (at the time of writing 360) and the beautiful green spaces of **Wellington Botanical Gardens**.
- Collaboration with Experience Wellington in **Take a Red Rocket to Space** welcomed 1,400 Wellingtonians on the Cable Car and to **Space Place**.
- We established **Ice Cream, Waffle and Coffee** pop-up shops during holidays and peak visitation periods to surprise and delight passengers and create additional revenue streams.
- Hosting **family-focused events** over Easter, Halloween, and Christmas.
- Hosting **concerts, live streams and performances**. We empower connection with Wellington creatives by providing a stage to perform in a unique environment.
- Develop school-specific products in collaboration with Cable Car Museum to enhance school trips.
- WCCL's support of the **Gardens Trail** welcomed over 800 Wellingtonians through the Cable Car to the top of the gardens.
- With support from WellingtonNZ, 820 Wellingtonians redeemed the tickets for the Cable Car as part of the **2021 Advent Calendar**. This was the highest number since the Cable Car joined the promotion.
- Improved signage on Lambton Quay to provide better Cable Car visibility.
- Collaboration with **WETA workshop**, which entailed becoming the 'home' of a Lord of The Rings movie prop during LOTR 20th anniversary celebrations
- **Bird Strike Mitigation project** to continue to support conservation efforts of a number of local organisations and CCO's such as Zealandia and Wellington Zoo
- Development of a Membership product – a first for the Cable Car – with reduced fares for a three-month period to encourage commuters and students to travel more.

Planning for FY 2022/23 includes:

- Collaborations and innovative 'outside the box' thinking will continue throughout the year as per above and in conjunction with citywide celebrations of our 120th birthday, adding more perceived and real value to our asset in the eyes of our wider community
- A monthly programme of new activities and re-runs of successful initiatives from 2021/22.
- Further targeted promotions with CCO whanau and other stakeholders in the Kelburn-Paekākā precinct.
- Reimagining what the Kelburn-Paekākā precinct for the benefits of the Cable Car, CCO Whanau

- Continued improvements to signage at the terminals and top of Cable Car.
- Planning for Matariki events and supporting citywide initiatives.
- Installing 'Feather Friendly' decals to help reduce native bird strikes at the Kelburn terminal.
- Collaborating with **Wellington City Mission** and **Ronald McDonald** house to enable greater access to the Cable Car.

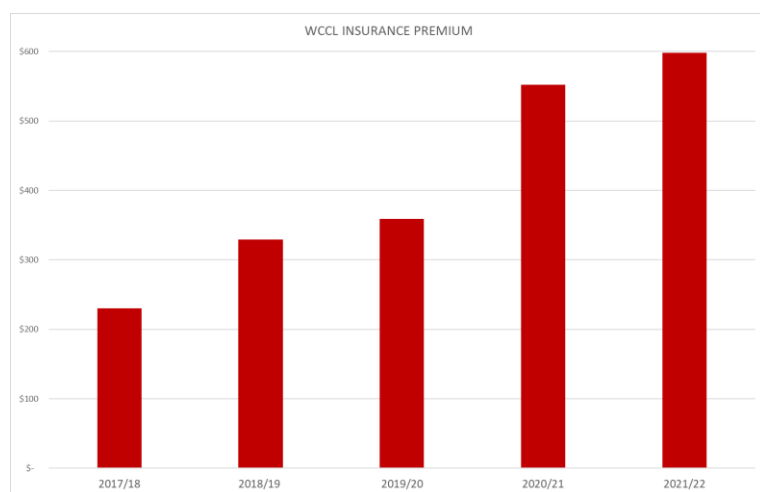
3. OTHER FINANCIAL PRESSURES AT THE CABLE CAR

COVID impacts have been discussed at length in the preceding sections, but the Cable Car is facing significant other financial pressures adding additional stress to a challenging operating environment.

3.1. INSURANCE

Ongoing increases to the cost of insurance is a significant business risk and a key driver in preventing WCCL from returning to a profitable state. In FY 2021/22, WCCL's insurance premium was \$598k, up to \$269k (82%) from our comparative year in FY 2018/19. If you compare FY 2021/22 to FY 2013/14, insurance premiums have increased by \$368k (160%) over the last four years. Early indications show premiums will once again increase.

WCCL has made significant and ongoing efforts over the past two years in particular to reduce this outlay and continues to explore alternative measures to mitigate this risk.



3.2. INFLATION

Despite operating more efficiently than pre-COVID times, the Cable Car is a largely fixed-cost business and continues to operate at a nearly minimum staffing level. As we enter a period of rising costs from labour and energy, generally, our ability to recover these costs is limited to increasing ticket prices. The Board will review the overall pricing strategy, so the draft financial statements include a provision for a 6.7% increase in ticket prices for casual users.

4. FY 2022/23 PLANS

WCCL's vision for FY 2022/23 is to ***'host uniquely Wellington experiences that locals are proud of, and visitors remember and share'***. No matter what's happening on the global stage, we're single-minded in our focus to ensure the Wellington Cable Car provides safe, reliable, and efficient service to commuters and domestic visitors while ensuring we're able to 'hit the ground running' when borders open and international visitors return.

In addition to expectations for WCCL as set out by Council (covered in Section 4.1), our key priorities for FY 2022/23 are:

1. Wellbeing of Staff

After three years of COVID uncertainty and with increasing pressures to live and work in Pōneke, ensure our staff are looked after and engaged in delivering our mission.

2. Tunnel lights repairs & enhancement

Our tunnel lights are the most commented on aspect of the Cable Car journey. They are approaching their 'end of life', and planning is underway to repair and replace the lights. We will explore next generation opportunities to include power saving initiatives coupled with revenue generation opportunities.

3. Product development

We will continue developing and refining new products, especially those opening new revenue streams and attracting new market segments. This will include continuing to develop collaborations with our CCO whānau, especially around the Kelburn-Paekākā precinct.

4. Complete seismic resilience work on the middle tunnel

In the first half of FY 2022/23, we will complete the seismic strengthening of the middle tunnel, which involves installing 16 rock anchors along the Portal Wall, Parapet, and adjacent North Wall. This will improve the Cable Car's overall seismic resilience.

5. Complete structural and seismic investigation of our three bridges

We have a good understanding of the condition of our tunnels, track and buildings. The next stage of our work will be around assessing and understanding the condition of the three bridges.

6. Carbon Zero & Waste minimisation

It is our collective ambition to achieve Carbon Zero this financial year and look at ways to be Carbon Positive in the future. This year we have benchmarked how much waste is produced and we want to ensure that this is rolled out to the customer side of things this year


7. Adjustment in fares

A full review of pricing structures and segments is underway, and we expect that some ticket prices for FY 2022/23 will increase as a result of the review.

WCCL will continue to ensure that revenue opportunities are a key focus and financial discipline is maintained to minimise the draw on cash reserves and ensure our return to financial sustainability as soon as possible.

5. STRATEGIC ALIGNMENT TO WCC

WCCL aligns its strategy and service delivery to WCC in the following ways:

<p>Absolutely Positively Wellington City Council Me Heke Ki Pōneke</p>	
<p>Kia eke panuku Māori Strategic Direction</p>	<p>WCCL is at the start of its Te Ao Māori journey but is excited to start to develop and nurture ties with mana whenua and Māori.</p> <ul style="list-style-type: none"> - Developing a unique tikanga for the Cable Car - Actively find opportunities to partner with mana whenua to raise the status and awareness of the Māori language - Adopting Te Reo / English signage - Working in partnership with mana whenua to tell stories - Supporting Puanga and Matariki activations - Looking at and introducing Māori names where appropriate -
<p>Te Atakura First to Zero Policy</p>	<p>The Cable Car is an incredibly efficient mode of transport, designed with regenerative braking, which feeds excess energy back into the grid.</p> <p>In FY 2021/22, WCCL will complete Carbon Accounting to achieve EKOS Carbo Zero certification in FY 2022/23. We will seek to achieve EKOS Carbon Positive certification in FY 2022/23.</p> <p>In FY 2021/22, WCCL focused on waste reduction and maximising the amount of waste diverted from landfill via recycling programmes. WCCL is committed to extending the korero to customers to join our journey in FY 2022/23.</p>
<p>Aho Tini 2030 – Arts, Culture and Creativity Strategy</p>	<p>WCCL actively looks for opportunities to partner with local creatives. In FY 2021/22 we hosted live streams with Drax Project, concerts and performances as part of the ‘city as theatre’ initiative and several family-focused events over Easter, Halloween, and Christmas.</p> <p>In FY 2022/23 WCCL will continue to look for ways to engage creatives in addition to embracing new opportunities to collaborate with council initiatives around new events and holidays such as Matariki.</p>
<p>Economic Wellbeing Strategy</p>	<p>The Cable Car journey remains an iconic symbol of Wellington internationally and a “must do” for all visitors to Wellington. In addition to being one of Wellington’s major attractions it serves as a gateway to the important Kelburn precinct, which is home to the Cable Car Museum, Space Place, Kelburn Village, Zealandia, and Botanic Gardens.</p> <p>For residents, it provides a commuter service to the CBD and the Kelburn area.</p>

Accessible Wellington

WCCL continues to maintain BeLab Platinum Accessibility rating and is featured on Firstport – Accessible Day out Library website as one of the few accessible activities in Wellington.

We remain focused on improving accessibility for all visitors and any future development ensures that accessibility is considered.

5.1. Specific Expectations

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke



Council expects the company to outline its plans and priorities for improving the seismic resilience of its network in the context of having budgeted Waka Kotahi funding for the project withdrawn.

With the failure to secure funding support from Waka Kotahi, WCCL has prioritised its work programme to deliver the most essential works within available funding.

This will see tunnel strengthening of the Upper Portal, Parapet and adjacent North wall of the Middle Tunnel completed in FY 2022/23. These are the highest risk areas and a significant step in ensuring ongoing seismic reliability.

During 2022/23 WCCL will complete the condition assessments of the three bridges.

Further capital works have been deferred until funding is available; there are no areas of immediate concern due to deferring these works.

The company has demonstrated its adaptability in supporting cultural activities in the city using the Cable Car as a stage. Council would like to see the company commit to developing new opportunities to strengthen the alignment with this important Council strategy, both for the benefit of the city and the Cable Car service.

WCCL actively looks for opportunities to partner with local creatives. In the past 12 months, WCCL has hosted live streams, concerts, performances and shows. (See [Aho Tini 2030 – Arts, Culture and Creativity Strategy](#) above)

With strengthening relationships and a demonstrated track record of working with our creative community, WCCL is committed to exploring ways to support and showcase cultural activities for the benefit of its passengers and while contributing to the ongoing vibrancy of the city.

WCCL is thrilled to have partnered with the Urban Wildlife Trust to deploy the ‘feather friendly’ bird strike prevention project to minimise the number of bird strikes at the Kelburn terminal. This is a first in NZ and complements outstanding conservation work by associated groups.

WCCL is continuously investigating options to enhance the visitor experience and prepare for the return of tourists.

FY 2021/22 achievements include:

- Improved signage on Lambton Quay to guide people down Cable Car Lane
- Ongoing activation at Kelburn Terminal
- Achieved Qualmark GOLD
- Achieved COVID CLEAN

FY 2022/23 actions include:

- Achieve EKOS Carbon Zero
- Wayfinding and directional signage at both terminals, including more digital screens
- Events, packages, promotions, and new products to celebrate the 120th year of our national icon
- Replacement and upgrade of tunnel lights
- Curating the customer journey from Lambton Quay, through Cable Car Lane, Lambton Terminal to Kelburn with domestic and international visitors in mind
- Tourist sector families and engagement

The company's SOI should give Council confidence that the company is using the current operating environment well to prepare for the return of domestic and international tourists to Wellington and that its service is refreshed and ready to thrive.

The Cable Car is the critical link for locals and visitors to Wellington between Lambton Quay in the CBD and the Kelburn-Paekākā precinct.

The Kelburn terminus precinct of the Wellington Cable Car is a critical point for visitors and locals as it offers iconic views of Wellington city and access to a variety of attractions and environments which are important to Wellington. The Cable Car provides both critical transport and the opportunity to provide a unique experience for people accessing the precinct to get to other attractions such as Space Place, Zealandia, the Botanic Garden and Kelburn village.

WCCL continues to lead and organise a monthly korero with businesses in the precinct, including several CCOs and WCC business units to strengthen collaborations to drive visitation and improve the experience for locals and visitors. WCCL will in FY 2022/23 lead the development of an integrated plan for the Kelburn-Paekākā precinct. The goal is to ensure that the experience provided to future visitors, the length of time they spend in the precinct, and the expenditure they make is significantly enhanced, contributing to the broader city visitor economy. This work will be supported by WellingtonNZ through activation of the recently published 'Destination Pōneke' management plan.

The Council expects the company to work together with Council and other stakeholders in this area to improve its vibrancy and appeal to locals and visitors now and into the future. Together with Experience Wellington and WellingtonNZ, the company should lead the planning for early interventions to add value to the Cable Car journey and celebrate the historic area, and to develop longer term plans for its future that create an integrated experience which leads to more frequent visitation.

2022 is the year in which we are telling the story of the 120-year history of the Wellington Cable Car through events, packages, promotions, and new products to celebrate this national icon.

This will be subject to events management under COVID-19 restrictions, local or national lockdowns, potential future restrictions on numbers and other unforeseen factors.

A range of initiatives are in place and have been designed to be flexible as per the above. The goal is to engender true community understanding and 'buy-in' to a journey through history involving generations of Wellingtonians.

Council expects the Cable Car to leverage its modest carbon footprint in the messaging and profile-building as the company rebuilds its business in the post-Covid economy.

In FY 2022/23, WCCL plans to achieve Carbon Zero certification and remains resolute to become carbon positive by FY2023/24. It will work with EKOS to find ways to reduce its carbon footprint where possible and be a leader in a low carbon economy.

In FY 2021/22, in collaboration with OCS (Cleaning contractors), WCCL began to track and measure the amount of waste WCCL was producing and how much was being diverted from landfill as part of recycling initiatives.

This initial step focused on staff areas and served to gather benchmark data to help with future waste minimisation initiatives. In FY 2022/23, we plan to extend this mahi to public areas of the business to reduce our waste footprint.

6. FY 2022-23 PERFORMANCE MEASURES

WCCL monitors our performance over these categories:

1. Environmental
2. Health & Safety
3. Service Delivery
4. Reliability / Timeliness
5. Visitation
6. Revenue

6.1. ENVIRONMENTAL

KPI	How it's measured	2022-23	2023-24	2024-25
Zero Carbon Accreditation	Carbon accounting and offsetting with an accredited organisation	Achieve Carbon Zero	Achieve Carbon Positive	Maintain Carbon Positive
Waste minimisation	Total Waste Reduction (Baseline is currently being established)	5% YOY reduction	5% YOY reduction	5% YOY reduction

6.2. HEALTH & SAFETY (H&S)

KPI	How it's measured	2022-23	2023-24	2024-25
Quality of WCCL infrastructure	Rail safety licence maintained	Maintain	Maintain	Maintain
H&S is actively managed and improved	Part of the risk register is reviewed at each H&S meeting. Mitigation and minimisation options discussed and implemented where possible	Maintain	Maintain	Maintain
	Independent H&S audit completed, and recommendations implemented	Maintain	Maintain	Maintain

6.3. SERVICE DELIVERY

KPI	How it's measured	2022-23	2023-24	2024-25
Customer Satisfaction	Maintain Net Promoter Score equal to or better than CXI benchmark.	Maintain	Maintain	Maintain
	Google rating	4.2 or higher	4.2 or higher	4.2 or higher
	TripAdvisor rating	4.2 or higher	4.2 or higher	4.2 or higher

6.4. RELIABILITY / TIMELINESS

KPI	How it's measured	2022-23	2023-24	2024-25
Cable Car Reliability	Percentage Reliability	> 99.0%	> 99.0%	> 99.0%

6.5. VISITATION

KPI	How it's measured	2022-23	2023-24	2024-25
Customer Trips	Tickets sold	624k	798k	936k
	Tactical collaborative campaigns/activations	4 per year	6 per year	6 per year

6.6. REVENUE

KPI	How it's measured	2022-23	2023-24	2024-25
Revenue	Fare Revenue	\$2.02 M	\$2.77 M	\$3.44 M

7. HOW WE OPERATE

WCCL is proud of our operational framework and what we deliver daily, no matter what issues we currently face.

7.1. People & Culture

Our people are at the centre of our business. We strive to create a positive and supportive environment enabling our people to thrive personally and professionally.

Our key initiatives for FY 2022/23 include:

- Ongoing korero to improve engagement and resilience
- A focus on diversity and inclusivity
- Succession planning and professional development opportunities

7.1.1. Diversity & Inclusion

The Cable Car strives to create a safe, diverse and inclusive workplace where all staff members can bring their whole selves to work every day. WCCL aims to ensure our people have access to opportunities and resources that allow them to grow and develop in a respectful and appreciative environment.

7.2. Systems

In FY 2021/22, WCCL migrated its digital operations from server-based to cloud-based. This move enabled us to add additional layers of security and facilitated working from home scenarios. WCCL also migrated its financial system from MYOB to Xero during the year.

In FY 2022/23, WCCL is deploying a Computerised Maintenance Management Systems (CMMS), which will centralise all our assets' technical and practical knowledge in one place. This will be an invaluable resource to ensure the Cable Car stays on top of maintenance and plans replacements in a timely and effective manner.

7.3. Asset Management

The Cable Car owns and maintains a range of infrastructure assets, with a broad range of complexity, age, and condition. Routine maintenance is completed in-house with more complex and specialist work outsourced to several trusted partners such as Doppelmayr NZ and ACME Engineering.

Our oldest assets are our three tunnels. Construction of these began in 1898, and recent investigations into their seismic performance gives us an excellent understanding of their condition and associated risks. In FY 2022/23, we will address the seismic performance of all the highest risks.

The three steel bridges were constructed in the 1930s. In FY 2022/23, we plan to conduct further seismic and structural assessments on all three bridges to improve our understanding of these assets.

Our steel-framed Cars date back to 1979 and, while in very good condition, require regular maintenance and attention. The motor, drive and control systems were replaced in 2016 and remain compliant with current European Standards. The equipment and systems are regularly maintained to the manufacturer's recommendations.

7.4. Risk Management

As with all our H&S responsibilities, the Board and WCCL officer acknowledges and understands its accountability. We have systems in place to ensure that WCCL meets the required monitoring, reviewing and reporting of H&S objectives.

7.5. Health, Safety & Wellbeing

Ongoing COVID effects mean staff face challenges and issues at work and at home and we continue to support and work with individuals to ensure their wellbeing is prioritised. WCCL is committed to the ongoing development and maintenance of an enduring and resilient approach to Health, Safety and Wellbeing that embeds a culture of zero harm within the company, adheres to legislative requirements and ensures that staff, contractors, and the public are not exposed to unnecessary risk or harm in their engagements with WCCL.

Our policy statement reflects this:

We are committed to creating a work environment that supports and grows our people and enables them to go home healthy and safe every day.

7.6. H&S framework

WCCL continues to proactively develop a culture of zero harm within the organisation. WCCL's H&S committee meets monthly to ensure risk identification / mitigation / controls are appropriate. At the governance level, H&S reporting is a standing item at all Board meetings, ensuring that Directors remain across current statistics and any developments arising.

In FY 2021/22, WCCL conducted a Worksafe, SAFE+ self-assessment to look at its H&S framework and worker engagement and identify opportunities for improvement.

In FY 2022/23, WCCL will look to an independent external audit to ensure its policies, practices, and procedures meet all statutory responsibilities and identify opportunities for improvement.

7.7. Waka Kotahi – Rail Safety Case

The Wellington Cable Car operates under a Rail Safety License as required by the Railways Act 2005. All licence holders are required to have appropriate safety systems which are audited by the regulator. WCCL continues to maintain its Rail Safety Case.

8. FINANCIAL INFORMATION

All forecasts revised and updated as at April 2022 to take into account current projected visitor numbers as per WCC feedback

Wellington Cable Car Limited

Statement of Comprehensive Income

For the years ending 30 June 2023, 2024 and 2025

	2022 Forecast \$000		2023 Quarter 1 \$000		2023 Quarter 2 \$000		2023 Quarter 3 \$000		2023 Quarter 4 \$000		2023 Total \$000		2024 Budget \$000		2025 Budget \$000
Revenue															
Fare Revenue	947		365		497		649		511		2,023		2,772		3,441
Ancillary revenue	123	-	1	-	1	-	1	-	1	-	3	-	3	-	3
Grants	1,309		-		686		-		205		891		523		47
Total revenue	2,379		364		1,182		649		716		2,911		3,292		3,485
Expenses															
Operational costs	749		188		204		212		189		793		832		874
Infrastructure costs	855		298		301		237		219		1,055		1,349		1,452
Professional costs	392		129		104		99		99		431		454		479
Support staff costs	651		165		157		156		155		633		656		680
Total expenses	2,647		781		765		704		661		2,911		3,292		3,485
Net Profit (Loss) before Depreciation	- 267	-	417		417	-	55		55		-		-		-
Depreciation	309		85		85		85		85		341		341		341
Net Profit (Loss) after Depreciation	- 576	-	502		331	-	140	-	30	-	341	-	341	-	341

Wellington Cable Car Limited
Statement of Financial Position
For the years ending 30 June 2023, 2024 and 2025

	2022 Forecast \$000	2023 Budget \$000	2024 Budget \$000	2025 Budget \$000
Assets				
Bank & Term Deposits	3,155	3,509	3,451	3,687
Accounts receivable	771	215	271	34
Inventory	290	290	290	290
Property, plant & equipment	6,754	6,613	6,272	5,930
Total assets	10,970	10,627	10,284	9,941
Liabilities				
Accounts payable & accruals	204	206	207	208
Employee benefit liabilities	150	147	144	141
Deferred Tax	737	737	737	737
Total expenses	1,091	1,090	1,088	1,087
Net Assets	9,878	9,537	9,196	8,855
Equity				
Current year earnings	- 576 -	341 -	341 -	341
Retained earnings	3,019	2,443	2,102	1,761
Ordinary shares	7,435	7,435	7,435	7,435
Total Equity	9,878	9,537	9,196	8,855

Wellington Cable Car Limited

Statement of Cash Flows

For the years ending 30 June 2023, 2024 and 2025

	2022 Forecast \$000	2023 Budget \$000	2024 Budget \$000	2025 Budget \$000
Operating activities				
Receipts from grants	1,693	1,442	467	285
Receipts from customers	947	2,023	2,772	3,441
Payments to suppliers & employees	- 2,693 -	2,907 -	3,294 -	3,488
Receipts from other operating activities	38 -	3 -	3 -	3
Net cash flows from operating activities	- 16	555 -	58	236
Investing activities				
Payment for property, plant & equipment	- 4 -	200	-	-
Net cash flows from investing activities	- 4 -	200	-	-
Net cash flows	- 20	355 -	58	236
Cash and cash equivalents				
Opening balance	3,174	3,155	3,509	3,451
Net change in cash for period	- 20	355 -	58	236
Closing balance	3,155	3,509	3,451	3,687

