

**WELLINGTON CABLE CAR LIMITED**

**ANNUAL REPORT**

**For the year ended 30 June 2024**



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## CHAIR AND CHIEF EXECUTIVE FOREWORD

**For the year ended 30 June 2024**

Tēnā koutou katoa,

We are proud to present Wellington Cable Car Limited's (WCCL) Annual Report for the year ending 30 June 2024, outlining WCCL's performance and achievements during this period.

Over the past year, the Wellington Cable Car has not only met but exceeded expectations across various metrics. Our strong growth in passenger numbers and fare revenue is a testament to the dedication of our team, the unwavering support of our local community, and the resurgence of international visitors.

### **Key highlights**

The year began on a strong note, with Q1 passenger numbers significantly exceeding our target by 17%, and fare revenue surpassing expectations by 25%. This upward trajectory continued, with February marking a record-breaking month that contributed to substantial quarterly growth. By the end of the financial year we had achieved a significant milestone as we crossed the one million passenger mark for the first time since before the pandemic.

Our commitment to sustainability was reinforced by maintaining our Ekos Carbon Zero certification and the decision to replace our diesel van with a battery-electric alternative, which will reduce our annual emissions by 10%. We were also re-accredited as a Qualmark GOLD business, a recognition of our high standards in service and sustainability. Participation in community events like the Matariki activation and the Faultline Ultra Event further solidified our role as a cherished part of Wellington's cultural landscape.

Engagement with the student community was enhanced through collaborations such as accepting International Student Identity Cards and participating in the Victoria University Expo. Additionally, our focus on inclusivity led to a review of accessibility features, resulting in improved services for all passengers.

Innovation remained at the forefront of our initiatives. The launch of the 'Dogs of the Cable Car Calendar' not only celebrated our local canine companions but also raised over \$4,000 for the Blind Low Vision Guide Dogs Programme. Our new digital content strategy significantly boosted our online presence and engagement across social media platforms.

### **Overcoming challenges**

The year was not without challenges. Uncertainty around the applicability of the Passenger Ropeway Regulations required proactive engagement with WorkSafe, while ensuring continued operation under our Rail Safety Case approved by Waka Kotahi. Seismic work remains a priority, with significant progress made towards understanding the proposed bridge strengthening programme of works required to improve their resilience. Again, we extend our thanks to Wellington City Council for the Long-Term-Plan (LTP) funding that allowed us to complete this important work, and we are thankful for the inclusion of \$6.7m in the upcoming LTP which will enable us to complete bridge strengthening work over the next 10 years.

Operational adjustments included enhancing inventory management systems following audit findings and managing the transition from Snapper, which initially impacted our Net Promoter Score (NPS). Despite these challenges, our commitment to continuous improvement and customer education remains strong.

Looking ahead to FY25, our focus will remain on sustainability, community engagement, revenue generation, and enhancing the passenger experience. We are committed to building on this year's strong results, ensuring the Wellington Cable Car continues to be a beloved and integral part of our city's transport and tourism landscape.

Ngā mihi nui

A handwritten signature in black ink that reads "David Perks".

David Perks, Chair

27 September 2024

A handwritten signature in blue ink that reads "Tansy Tompkins".

Tansy Tompkins, Chief Executive

27 September 2024

# STATEMENT OF SERVICE PERFORMANCE

## Who we are

Wellington Cable Car Limited (WCCL) stands as a cornerstone in the cultural and economic landscape of the Wellington region. Established in 1902, the Cable Car has been an integral part of the city's history, connecting Lambton Quay to the suburb of Kelburn and offering both locals and visitors a unique and scenic mode of transportation. As a Council Controlled Organisation (CCO), WCCL operates under the governance of the Wellington City Council (WCC), with the WCC being the sole shareholder. The Cable Car employs 25 people and is steered by an independent Board consisting of four directors appointed by the WCC, ensuring a strategic and transparent approach to its operations.

## What we do

As kaitiaki of this Te Whanganui-a-Tara / Wellington taonga, WCCL is responsible for providing an amazing experience to locals and visitors using the Cable Car, as well as the ongoing maintenance and safe operation of the Cable Car, ensuring it adheres to the highest engineering standards and complies with all relevant legislation. The Cable Car welcomes over one million passengers a year and operations are primarily financed from passenger fare income.

Beyond its historical and cultural significance, the Wellington Cable Car plays a pivotal role in contributing to the economic impact of the visitor sector in the Wellington region. As a major tourist attraction (second only to Te Papa), the Cable Car draws visitors from around the world, boosting the local tourism industry and creating employment opportunities.

## Our strategic direction, purpose, and values

**Our vision:** The Wellington Cable Car is the most iconic tourist attraction in Wellington and the transport of choice for our local whānau. It is an enduring, carbon positive Wellington experience that connects our people, spaces, places, and venues.

**Our purpose** is to host uniquely Wellington experiences that locals are proud of, and visitors remember and share.

**Our values** enable our purpose:

<b>Kaitiakitanga</b>	Custodians of a Wellington taonga and our environment
<b>Safe Workplace</b>	Safe site and safe conversations
<b>Guest Centred</b>	The guest experience makes our business
<b>Pride</b>	We strive to take pride in everything we do
<b>Team</b>	The team works together to deliver consistently great Wellington experiences
<b>Adaptability</b>	We embrace new ideas to sustain and improve our business

In addition to expectations as set out by the Council, the Cable Car aligns key projects under five strategic focus areas to ensure work is targeted, impactful, and able to be resourced within our small team. The council's expectations and key projects are discussed in the following sections, alongside how we delivered on our performance measures, and other highlights from the year.

<b>VISION</b>	The Wellington Cable Car is the most iconic tourist attraction in Wellington and the transport of choice for our local whānau. It is an enduring, carbon positive Wellington experience that connects our people, spaces, places and venues.				
<b>PURPOSE &amp; VALUES</b>	Host uniquely Wellington experiences that locals are proud of, and visitors remember and share. Kaitiakitanga   Safe Workplace   Guest Centred   Pride   Team   Adaptability				
<b>STRATEGIC FOCUS AREAS</b>	<b>CARE FOR OUR TAONGA</b>	<b>LEVERAGE OUR TOURISM MANA</b>	<b>SUPERCHARGE OUR CX</b>	<b>PARTNER FOR SUCCESS</b>	<b>NURTURE OUR WHANAU</b>
<b>FY24-26 OBJECTIVES</b>	Maintain an asset management plan that meets the needs of future generations.	Become the activity destination of choice in the Wellington region.	Deliver the right products, to the right audience, on the right channel, at the right time.	Align and nurture relationships for future success.	Enable our team to develop their potential.
<b>OUTCOMES</b>	<ul style="list-style-type: none"> <li>Our cultural and historical assets are maintained and cared for</li> <li>The Cable Car has a reputation as a safe, reliable and sustainable business</li> </ul>	<ul style="list-style-type: none"> <li>We are the #1 activity recommendation by travel partners</li> <li>Top of the Cable Car precinct is a destination of choice for visitors and locals</li> </ul>	<ul style="list-style-type: none"> <li>We continually surprise and delight our customers through targeted activations, campaigns and products</li> <li>Focused acquisition and retention of customers</li> </ul>	<ul style="list-style-type: none"> <li>Council, CCOs and wider stakeholders are engaged, aligned and onboard with our vision</li> <li>Work is targeted and leverages wider industry and partner capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Team is enabled with the systems, capabilities and environment they need to deliver outstanding work</li> <li>Projects produce impact and measurable results</li> </ul>
<b>FY24 PROJECTS INCLUDE</b>	AMP; seismic resilience work; sustainable merchandise; carbon audit and investigation of solar panel installation.	Top of the Cable Car Precinct project; content and training materials for travel trade; strategy to leverage city-wide and business events; and FIFA activations.	Refreshed marketing and social strategy; cruise lines and schools product development; and wayfinding in collaboration with LGWM other CCOs.	Partnerships with WCC; Kelburn precinct and CCOs; Business Events Wellington; Cruise Lines; Tourism New Zealand; Iwi; Mana whenua; Waka Kotahi and GWRC.	OKR performance framework; software upgrades; and leveraging WCC and other CCO Te Ao Māori training initiatives.
<b>MEASURED BY</b>	<ul style="list-style-type: none"> <li>AMP delivered</li> <li>Carbon Zero &amp; Waste reduction</li> <li>Rail Safety Licence maintained</li> <li>Reliability &lt;99%</li> </ul>	<ul style="list-style-type: none"> <li>Agent survey (new measure)</li> <li>Tickets sold</li> <li>Fare revenue</li> <li>Qualmark Gold</li> </ul>	<ul style="list-style-type: none"> <li>NPS equal or above CX</li> <li>Tactical campaigns</li> <li>Google &amp; Trip Advisor ratings</li> <li>Social engagement</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of SOI, quarterly and Annual Reports</li> <li>Partnerships and collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Staff engagement (new)</li> </ul>



## CARE FOR OUR TAONGA

### *Maintain an asset management plan that meets the needs of future generations*

#### Assets

- We completed a successful Annual Maintenance shutdown (AMS) in August and undertook works including a bogie change and installation of new track brake test switches.
- In June we hosted a visit from Garaventa and Doppelmayr to discuss both the replacement of the Cable Cars and residual life of the existing Cars. We came away with increased confidence that there are no known safety issues/concerns to continue to operate the existing Cars for the foreseeable future.
- We improved our condition assessment of the winding room equipment by adding vibration analysis as an additional technique to our oil sample and grease testing.

#### Seismic programme of works

- During the AMS we undertook seismic strengthening in our Lambton terminal. This involved fitting approximately 30 steel brackets to improve the seating of reinforced concrete beams in the roof space.
- We continued our seismic strengthening programme by undertaking a detailed seismic assessment of our three bridges to understand the seismic resilience of each asset. Following this we prepared a proposal for LTP funding to complete strengthening of the bridges and were grateful to be granted \$6.7m to complete this work during the 2024-2034 LTP timeframe.
- During the year we asked engineers and contractors to provide cost estimates to complete the third and final element of the tunnel strengthening work involving slope stabilisation. Due to a 100% increase in costs, this work was put on hold while we took the time to understand and identify the highest priority elements for strengthening across all of our assets.

#### Sustainability

- In October we were once again accredited as a Zero Carbon business. We also investigated the possibility of installing solar panels on our Kelburn terminal roof. Unfortunately, the project was not viable, but we have ordered an electric van to replace the diesel van used by our maintenance team. This will arrive in Q1 of FY25 and will reduce our emissions by 10%.
- We started monitoring our electricity use and now report on this quarterly. We have reduced consumption by improving controls/settings on lights and auto doors and other changes.
- In October we completed phase two of installing Feather Friendly® bird decals on the Kelburn Terminal. To date there have been no further bird strikes.
- Due to the unexpected increase in passengers over SOI targets in FY23 and FY24, the waste reduction target was not achieved. It became clear that the measure was unachievable (due to it being set during covid-low passenger numbers) and a new measure has been introduced for FY25 focusing instead on reducing the level of waste that goes to landfill through recycling and other sustainable practices.

#### Health and Safety

- Health and Safety remained a key focus throughout the year with several projects being completed to improve safety including new CCTV cameras, asbestos removal, and improving access to the Cars when over the maintenance pit in Kelburn.
- We've improved the health and safety concerns surrounding our gates with a series of strategic implementations. By adjusting gate times, introducing informative screen displays, applying floor decals, and providing comprehensive staff training, we've observed significant improvements in safety measures and operational efficiency. We continue to look at opportunities to improve the safety of our gates for all of our customers.

- We repeated WorkSafe's SafePlus self-assessment survey to monitor our progress amongst the team and also joined Site Safe as part of our ongoing commitment to health and safety. Membership allows us to access Site Safe health and safety resources and attend discounted training courses.

<b>PERFORMANCE INDICATOR:</b>	Zero Carbon accreditation	
<b>TARGET MEASURE:</b>	Achieve Zero Carbon accreditation	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
Achieved. Zero carbon accreditation has been achieved by working with EKOS to measure our carbon footprint and purchase carbon credits.	Achieved. Zero carbon accreditation was achieved by working with EKOS to measure our carbon footprint and purchase carbon credits.	

<b>PERFORMANCE INDICATOR:</b>	Waste minimisation	
<b>TARGET MEASURE:</b>	Total waste reduction of 5% year on year	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
Not achieved. Due to the YOY increases in passengers over targets. A new measure has been introduced for FY25 to instead monitor and reduce the waste that goes to landfill.	Not achieved. Due to the unexpected increase in passengers of 298,676 over SOI targets, the waste reduction target was not achieved.	

<b>PERFORMANCE INDICATOR:</b>	Quality of WCCL infrastructure is maintained	
<b>TARGET MEASURE:</b>	Rail Safety Licence maintained	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
Achieved. Rail Safety Licence was maintained.	Achieved. Rail Safety Licence was maintained.	

<b>PERFORMANCE INDICATOR:</b>	Health and Safety is actively managed and improved	
<b>TARGET MEASURES:</b>	1. Review the risk register at each health and safety meeting. Discuss mitigation and minimisation options and implement where possible.	
	2. Complete and implement an independent health and safety audit.	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
<b>Health and Safety Meetings</b> Achieved. WCCL Health and Safety committee continued to meet monthly to discuss any incidents/accidents/near misses, the risk register, and risk mitigation and reduction strategies. Health and safety updates are communicated to staff monthly and reported to the Board quarterly.	<b>Health and Safety Meetings</b> Achieved. WCCL Health and Safety committee continued to meet monthly to discuss any incidents/accidents/near misses, the risk register, and risk mitigation and reduction strategies. Health and safety updates are communicated to staff monthly and reported to the Board quarterly.	
<b>Health and Safety Audit</b> Achieved. Safe+ survey undertaken (developed by WorkSafe, ACC and MBIE), and final recommendations from FY23 audit completed.	<b>Health and Safety Audit</b> Achieved. An independent health and safety audit was completed through the period and the recommendations are being worked through.	





<b>PERFORMANCE INDICATOR:</b>	Cable Car service reliability	
<b>TARGET MEASURE:</b>	Percentage reliability greater than 99.0%	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
Achieved. 99.64% of trips started on time. By using the daily trip counts, we calculate the number of missed trips. During FY24, there were 100 missed trips representing 0.33% of trips not run.	Achieved. 99.74% of trips started on time. By using the daily trip counts, we calculate the number of missed trips. During FY 2023, there were 70 missed trips representing 0.25% of trips not run.	

## LEVERAGE OUR TOURISM MANA

*Become the activity destination of choice in the Wellington region*

### Passenger and revenue results

- We continued our post-pandemic recovery exceeding passenger and revenue targets by 5% and 13% respectively and 13% and 20% year on year growth for the two performance measures.
- A major highlight was reaching the million-passengers-in-a-year milestone for the 2023 calendar year and again for the full financial year ending June. This is the first time post-Covid that the target has been reached.

### Strategic development

- We agreed with Council the scope of the options paper for the Top of the Cable Car Precinct. The overarching objectives of the paper are to outline a range of medium to long-term options for the Kelburn Terminus precinct that showcase the opportunity to create an enhanced and integrated visitor experience which could lead to more frequent and longer visitation by both visitors and locals - bringing commercial benefit for operators and economic benefit to the city.
- As part of the options paper, we undertook research with Angus & Associates in the Kelburn Precinct with almost 600 survey participants. Research aimed to uncover 'The What?' i.e., what are the potential offerings that would meet audience expectations, tell a memorable Wellington story, and provide a commercial return? Following on from the findings of the Phase 1 research, Phase 2 will include determining the steps required to progress changes to programmes and operating activities needed to deliver preferred options agreed for further consideration.

### Event and media engagement

- We fully embraced FIFA Women's World Cup with decals on the cars, terminal decorations, and tunnel lights, and received excellent coverage from the four international broadcasters we hosted at the Cable Car during the tournament.
- In May we hosted the production team from The Today Show who selected the Cable Car as their backdrop for the morning to showcase Wellington to their Australian viewers (during live weather crosses). Wētā Workshop, Visa Wellington on a Plate, and World of Wearable Art also featured. Our dedicated Cable Car cross achieved an estimated advertising value of \$134,886 and the EAV for all the morning crosses was \$926,457.

### Recognition and collaborations

- In October we were proud to once again receive Qualmark Gold accreditation with excellent feedback regarding both our assessment preparation and work over the course of the year.

- We worked alongside Business Events Wellington for delegate activations and continued collaborations with Experience Wellington in the Kelburn precinct including pop-up events and Winding Room tours.

<b>PERFORMANCE INDICATOR:</b>	Customer trips	
<b>TARGET MEASURE:</b>	Q1: 161,000	(FY23: 113,903)
	Q2: 291,000	(FY23: 152,530)
	Q3: 350,000	(FY23: 199,875)
	Q4: 188,000	(FY23: 157,972)
	Full year: 990,000	(FY23: 624,280)
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
Achieved.	Achieved.	
Q1: 188,567	Q1: 128,591	
Q2: 277,410	Q2: 246,515	
Q3: 377,695	Q3: 342,302	
Q4: 196,872	Q4: 205,551	
Full year: 1,040,544	Full year: 922,959	

<b>PERFORMANCE INDICATOR:</b>	Fare income	
<b>TARGET MEASURE:</b>	Full year revenue: \$3.42m (FY23 \$2.02m)	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
Achieved.	Achieved.	
Full year revenue: \$3.72m	Full year revenue: \$3.22m	

<b>PERFORMANCE INDICATOR:</b>	The service level meets established tourism standards	
<b>TARGET MEASURE:</b>	Qualmark GOLD status achieved and maintained	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
Achieved. Qualmark GOLD status was maintained.	Achieved. Qualmark GOLD status was maintained.	



## SUPERCHARGE OUR CUSTOMER EXPERIENCE

*Deliver the right products, to the right audience, on the right channel, at the right time*

### Digital strategy

- A key project has been the delivery of a new Digital Content and Channels strategy to help plan, create and share content as deliberately, effectively, and efficiently as possible. The work defined our goals, objectives, audiences, content buckets, channels, and tactics, as well as formalising key messages and our tone of voice. Essential to measuring performance, the strategy also improved our data collection, and analysis and reporting capabilities, allowing us to narrow down our target markets, what channels to focus on, and what content is the most engaging for our followers.
- The strategy has seen immediate results with targeted channel reach increasing in some quarters by over 100% on Facebook and Instagram and over 400% on LinkedIn.

### Payment transition

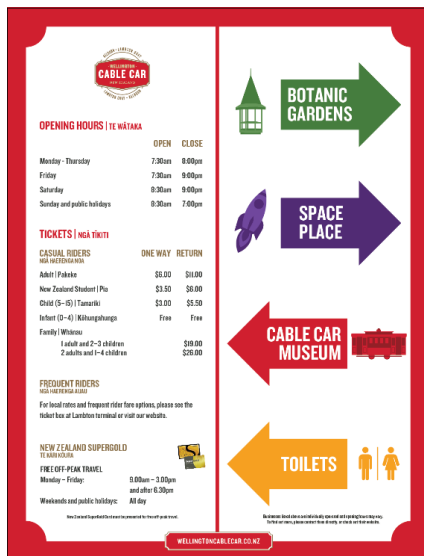
- On 1 October Snapper was removed as a form of payment on the Cable Car. A detailed transition project was implemented with key milestones successfully met. The removal of Snapper saw a surge in transfers to WCCL products and the introduction of a new 5-trip multi-trip card which has been very popular with locals.
- Unfortunately, we missed our NPS target measure by 1% due to an increase in low scores regarding the decommissioning of Snapper. Whilst a concentrated effort was made around education and the transfer of customers to suitable alternative products, infrequent travellers (ie. Non-local passengers who only use the Cable Car once or twice a year) continue to comment negatively.

### Accessibility and customer service improvements

- Accessibility was a focus area in FY24 with an anticipated increase in passengers over high season. We undertook an internal review of our accessibility, developed upgraded website content and looked at what might be included in a future development plan. We also engaged with Be (previously Be Accessible) and WCC to ensure best practice.
- Another outcome of the internal accessibility review was the implementation of FOC caregiver/support person travel. This aligns with other CCOs and council offerings. Since its deployment in Q2, over 200 caregivers have travelled on this ticket and the response from the disabled community has been positive.
- Although breakdowns are rare, we implemented a text alert process through Spark, ensuring our local commuters are alerted should there be any suspension of our service. This has received a positive response from the community with over 500 signups.
- With a busy cruise/summer season anticipated, the need to monitor queues and overflow onto Lambton Quay on busy days was identified as a focus area. We therefore made several changes to our Customer Management plan including suspending online sales on days when more than 2,000 passengers are expected in town to more actively manage queues.
- Although the original plans for Let's Get Wellington Moving have been deferred, we continue to look for ways to enhance our wayfinding and have installed new directional signage in our Kelburn Terminal.
- Audio scripts were updated to reflect feedback from locals with three new voices added for variety. The educational audio continues to receive positive feedback from visitors.

## Events, collaboration, and community engagement

- Product development work continued including collaborations with council on Seniors Week - Te Wiki Kaumātua, where we developed a winding room activation.
- We continued to surprise and delight our customers with activations and family-based promotions including Easter Egg Hunts, i-spy competitions and ‘Kids ride free’ promotions on International Children’s Day in March.
- Aligning with WCC and ‘Our Wellington’ Magazine we invested in a week-long Matariki activation, including customised tunnel lights, car audio, display cases and ticket promotions.
- Our inaugural ‘Dogs of the Cable Car Calendar’ was launched in November with local CCO partners also selling the calendar on our behalf. Sales figures saw approximately \$4,000 donated to the Blind Low Vision Guide Dogs Programme and the project received positive community response.



<b>PERFORMANCE INDICATOR:</b>	Customer satisfaction	
<b>TARGET MEASURES:</b>	1. Maintain Net Promoter Score equal to or better than CXI Benchmark	
	2. Maintain a rating of 4.2 or higher on Trip Advisor and Google Reviews	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
<b>NPS</b> Not achieved. NPS for the year was 71% versus CXI Benchmark of 72%.	<b>NPS</b> Achieved - Wellington Cable Car NPS for the year is 71, with the CXI Benchmark NPS at 70. This means that the Cable Car’s NPS is better than the CXI benchmark.	
<b>Trip Advisor Rating</b> Achieved - The company had an average Trip Advisor rating for the year of 4.5 out of 5 <b>Google Review Rating</b> Achieved - The company had an average Google Review Rating for the year of 4.5 out of 5.	<b>Trip Advisor Rating</b> Achieved - The company had an average Trip Advisor rating for the year of 4.6 out of 5 <b>Google Review Rating</b> Achieved - The company had an average Google Review Rating for the year of 4.6 out of 5.	

## **PARTNER FOR SUCCESS**

### *Align and nurture relationships for future success*

#### **Collaborations with WCC, Victoria University and WellingtonNZ**

- We worked with the team administering WCC's Te Kāinga programme, which provides secure and affordable rentals for those on medium to low incomes. Since May 2024, we now offer a 50% discount on our return tickets to Te Kāinga tenants.
- We teamed up with WellingtonNZ as a key partner for the Faultline Ultra Event in April. The partnership included offering a ride on the Cable Car as a pre-race transport option for the 6 and 11km events, enhancing our visibility and strengthening community engagement. This collaboration showcased our commitment to supporting local events and promoting active lifestyles.
- Further collaborations with WellingtonNZ included supporting the annual advent calendar, hosting famils, and promoting city events on our tickets, such as the Tākina and Te Papa exhibitions.
- We worked with Victoria University's Salient magazine to target students during O-week and attended the O-week two-day expo, encouraging students to sign up for our 3-month membership product. We also supported our student community through the Student Gateway Programme, famils with Go with Tourism recruitment, and as a stall holder at WCC's Careers Fair in September.

#### **Partnerships with our CCO whanau**

- WCCL re-signed its collaboration with Experience Wellington on the combo product 'Take a Red Rocket to Space,' which includes a ride on the Cable Car and a movie screening at Space Place.
- We also re-signed an MOU with Cable Top Eatery and continue to generate good revenue through the ice cream stand at the Kelburn Terminal.
- The Cable Car team continued to lead the Kelburn Korero group, bringing together CCOs and stakeholders within the Kelburn Paekākā precinct to cross-promote and leverage each other's work, including Gardens Magic and Matariki activations.

#### **Tourism and Marketing Initiatives**

- WCCL was selected as a campaign partner for Tourism New Zealand's (TNZ) WeChat Pay Golden Week campaign targeting the China market. We also continued to welcome trade and media famils from TNZ's target markets.
- In quarter four, we partnered with TĀWHIRI Festivals and Experiences for the Moment Factory Light Cycles show in the Botanic Gardens. We extended operating hours to support the event, and ticket holders were offered a 15% discount on one-way tickets. As a result, almost 8,000 additional passengers visited the Cable Car.
- We increased the number of trade partner contacts we work with and sought new tourism partners to sell our tickets, including the Cable Car Museum and East by West ferries.
- The Cable Car continued to explore innovative venue hire and use options by offering our space to local artists and bringing in outside entertainment to surprise and delight customers during public and school holidays.
- During our annual maintenance shutdown, we partnered with Garage Project for Beervana, using water kegs as weights during our brake testing and promoting their zero-alcohol brands.

<b>PERFORMANCE INDICATOR:</b>	Partnerships and collaborations	
<b>TARGET MEASURE:</b>	Tactical collaborative campaigns/activations	
<b>ACTUAL – FY24</b>	<b>ACTUAL – FY23</b>	
Achieved. Several campaigns/activations were executed throughout the year, including collaborations with Experience Wellington, Wellington Zoo, Wellington Gardens, Garage Project, WellingtonNZ, Faultline Ultra, Wellington Chocolate Factory, Blind Low Vision Guide Dogs Programme and Victoria University.	Achieved. Five tactical collaborative campaigns were achieved throughout the year, including collaborations with Space Place, WellingtonNZ and Victoria University.	

## NURTURE OUR WHĀNAU

*Enable our team to develop their potential*

### Professional development and training

- We implemented a comprehensive training program this year, including workshops on Deaf Culture, a ‘Levelling up our customer service’ co-design workshop in collaboration with Humankind, and practical courses on ladder safety, working at height, chemical safety, and asbestos management.
- To enhance our team’s ability to sell the entire Wellington experience, we continue to offer staff famils to other local attractions and exhibitions.
- Our Maintenance Technician had the opportunity to visit a Garaventa factory in Goldau, explore the Stoosbahn funicular, and collaborate with Doppelmayr on constructing a new lift at the Remarkables Ski Resort, building industry knowledge and valuable contacts.
- In collaboration with Experience Wellington, we embraced Te Reo language classes, with regular cohorts participating in the 6-week programs, with costs shared between the two organisations.

### Enabling the team

- We work hard to ensure the team is equipped with the systems, capabilities, and environment they need to deliver outstanding work, and we proudly pay the living wage to our driving team.
- FY24 saw the introduction of a new performance management system, the OKR (Objectives and Key Results) framework, which helps align individual, team, and company-wide goals for success.

### Employee experience and well-being

- To support a comfortable working environment, we made several improvements over the year, including installing ticket box intercoms, upgrading staff uniforms for summer and winter, and providing personal support such as free toiletries, sanitary products, and consumables.
- A key focus of FY24 was addressing fatigue following increased visitation post-COVID. We conducted a staff survey on fatigue, introduced new rosters and shifts, and implemented a company policy on fatigue management.
- In FY24, we sought to benchmark our staff engagement and enrolled in the ‘Best Places to Work in New Zealand’ survey. We were proud to be shortlisted for the 2024 awards, with an average engagement score of 83% and high scores for management support and customer service empowerment.

# ANNUAL REPORT AND STATEMENT OF COMPLIANCE

As at 30 June 2024

Wellington Cable Car Limited is a council-controlled organisation as defined by section 6 of the Local Government Act 2002. Wellington Cable Car Limited is also covered by the Companies Act 1993 and governed by law and best practice.

The Board of Directors present their Annual Report including financial statements for the Company for the year ended 30 June 2024 and the auditor's report thereon.

The shareholders of Wellington Cable Car Limited have exercised their right under section 211(3) of the Companies Act 1993 and unanimously agreed that this Annual Report need not comply with any of paragraphs (a), and (e) to (j) of section 211(1) of the Act.

## STATEMENT OF COMPLIANCE

The Directors of Wellington Cable Car Limited hereby confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with, being:

- within three months after the end of the financial year;
- an annual report that provides a comparison of its performance with the Statement of Intent, with an explanation of any material variances;
- audited consolidated financial statements for that financial year;
- and an auditor's report (in accordance with sections 67, 68 and 69 of the Local Government Act). "

Director



David Perks  
Chair

Director



Emma Christie

Director



Kennie Tsui

Date: 27 September 2024

## COMPANY DIRECTORY

### As at 30 June 2024

Issued Capital:	7,434,746 fully paid Ordinary Shares
Registered Office:	Level 1, 50 Customhouse Quay Wellington Central, 6011 Wellington, NEW ZEALAND
Directors:	Mr D McComb – resigned 30 June 2024 Mr D Perks Ms E Christie – appointed 1 January 2024 Ms K Tsui – appointed 1 January 2024
Company Number:	502158
Auditors:	Moore Markhams Wellington Audit
Bankers:	ANZ Bank New Zealand Limited
Share Registry:	101 Wakefield Street Wellington, NEW ZEALAND
Solicitors:	Morrison Mallet
Date of Formation:	2 April 1991



# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30 June 2024

	<i>Note</i>	<i>Actual 2024 \$</i>	<i>Budget 2024 \$</i>	<i>Actual 2023 \$</i>
<b>REVENUE</b>				
<b><u>Exchange revenue</u></b>				
Operating revenue		3,872,646	3,415,900	3,223,931
Miscellaneous revenue		39,379	6,250	59,738
Interest revenue		310,428	180,000	192,475
<b><u>Total exchange revenue</u></b>		4,222,453	3,602,150	3,476,144
<b><u>Non-exchange revenue</u></b>				
Grants and subsidies received		318,982	250,000	1,436,881
<b>TOTAL REVENUE</b>	7	4,541,435	3,852,150	4,913,025
<b>EXPENSES</b>				
Operations and general	8	1,335,714	1,616,655	1,366,035
Auditor's remuneration	9	57,293	50,768	47,950
Directors' remuneration	10	60,000	60,000	45,000
Depreciation	19	327,333	318,892	314,082
Amortisation	20	617	617	3,844
Employees' remuneration	11	1,415,080	1,408,605	1,252,600
Operating leases		66,154	68,175	65,859
<b>TOTAL EXPENSES</b>		3,262,191	3,523,712	3,095,370
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		1,279,244	328,438	1,817,655
Income tax expense / (benefit)	18	364,460	-	517,927
<b>NET SURPLUS / (DEFICIT) AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS</b>		914,784	328,438	1,299,728
Other comprehensive revenue or expense		-	-	-
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO SHAREHOLDERS</b>		914,784	328,438	1,299,728

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	<i>Note</i>	<i>Accumulated Revenue and Expense</i>	<i>Issued Capital</i>	<i>Total</i>
		\$	\$	\$
<b>BALANCE AT 1 JULY 2022</b>		2,802,262	7,434,846	10,237,108
<b>Total comprehensive revenue and expenses</b>				
Prior period error		29,132	-	29,132
Net surplus/(deficit) for the year		1,299,728	-	1,299,728
<b>BALANCE AT 30 JUNE 2023</b>		4,131,122	7,434,846	11,565,968
<b>Total comprehensive revenue and expenses</b>				
Prior period error	2e	20,451	-	20,451
Net surplus/(deficit) for the year		914,784	-	914,784
<b>BALANCE AT 30 JUNE 2024</b>		5,066,357	7,434,846	12,501,203

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.




# STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2024

	Note	Actual 2024 \$	Budget 2024 \$	Actual 2023 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	12	2,480,623	4,504,000	1,909,784
Short term deposits	13	3,510,000	-	2,905,753
Trade and other receivables	15	137,320	107,000	84,082
Inventories	16	42,422	300,000	11,859
Income tax receivable	18	-	-	11,928
Prepayments		514,876	-	-
GST Receivable		211	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>6,685,452</b>	<b>4,911,000</b>	<b>4,923,406</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	19	8,727,782	8,220,000	8,378,139
Intangibles	20	-	-	617
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,727,782</b>	<b>8,220,000</b>	<b>8,378,756</b>
<b>TOTAL ASSETS</b>		<b>15,413,234</b>	<b>13,131,000</b>	<b>13,302,162</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	17	864,276	115,500	259,358
Income in advance		31,821	-	5,773
Employee benefit liabilities		113,153	155,500	122,146
Income tax payable	18	222,973	-	-
GST payable		-	-	131
LTP Funding grant	7	473,637	-	204,619
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,705,860</b>	<b>271,000</b>	<b>592,027</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liability	18	1,206,171	653,000	1,144,167
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,206,171</b>	<b>653,000</b>	<b>1,144,167</b>
<b>TOTAL LIABILITIES</b>		<b>2,912,031</b>	<b>924,000</b>	<b>1,736,194</b>
<b>NET ASSETS</b>		<b>12,501,203</b>	<b>12,207,000</b>	<b>11,565,968</b>
<b>EQUITY</b>				
Contributed equity		7,434,846	7,434,846	7,434,846
Accumulated revenue and expense		5,066,357	4,772,154	4,131,122
<b>TOTAL EQUITY</b>		<b>12,501,203</b>	<b>12,207,000</b>	<b>11,565,968</b>

For and on behalf of the Board:

David Perks: 

Kennie Tsui: 

Emma Christie: 

Date: 27 September 2024

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	<i>Note</i>	<b>Actual 2024 \$</b>	<b>Budget 2024 \$</b>	<b>Actual 2023 \$</b>
Receipts from operations		3,911,295	3,596,000	3,284,049
Receipts from grants and subsidies		588,000	-	1,928,752
Payments to suppliers and employees		(2,909,206)	(3,193,000)	(2,688,641)
Net payments of tax		(67,556)	-	(32,540)
Goods and services tax (net)		15,376	-	7,186
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		1,537,909	403,000	2,498,806
Receipts from interest		283,868	-	139,722
Investment in term deposits		(604,247)	-	(200,000)
Sale of property, plant and equipment		-	-	18,553
Payments for property, plant and equipment		(646,691)	(600,000)	(1,540,622)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		(967,070)	(600,000)	(1,582,347)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		-	-	-
<b>NET CASH FLOW</b>		570,839	(197,000)	916,459
Cash and cash equivalents as at the beginning of the year		1,909,784	4,701,000	993,325
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	12	2,480,623	4,504,000	1,909,784

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2024

### 1 REPORTING ENTITY

Wellington Cable Car Limited is a company wholly owned by Wellington City Council and is registered under the Companies Act 1993. It is a Council Controlled Organisation (CCO) as defined by Section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of the Wellington Cable Car Limited is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Wellington Cable Car Limited has designated itself as a public benefit entity for Financial Reporting Purposes.

### 2 BASIS OF PREPARATION

#### (a) Statement of Compliance

These financial statements are for the year ended 30 June 2024. They have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Local Government Act 2002 and comply with generally accepted accounting practice in New Zealand (NZ GAAP) and Tier 2 PBE Standards Reduced Disclosure Regime (PBE Standards RDR) accounting standards applicable for Public Sector entities.

The company qualifies as a Tier 2 reporting entity with reduced disclosures on the basis that it does not have public accountability, is not large and has total expenses < \$30 million but > \$2 million, and that elects to be in Tier 2.

These financial statements have been prepared on the basis that the Company is a going concern and has the continuing support of its shareholders. Based on the continuing financial support of its shareholders, the Company would satisfy the solvency requirements of the Companies Act 1993.

The financial statements are for the year ended 30 June 2024 and were approved by the Board of Directors on the date shown in the Annual Report and Statement of Compliance.

#### (b) Measurement Base

The financial statements of Wellington Cable Car Limited have been prepared on an historical cost basis.

#### (c) Functional and presentation currency

These financial statements are presented in New Zealand dollars (NZ\$) which is the company's functional and presentation currency, and all values are rounded to the nearest (NZ\$), except where otherwise indicated.

#### (d) Changes in Accounting Policies

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

#### (e) Prior period error

During the year, management noted an error in relation to the classification and accounting for its cable car spare parts. These spare parts were previously accounted for as inventories, and were expensed in the year it was consumed. However, in accordance with PBE IPSAS 17, these cable car spare parts meet the definition of Property, Plant and Equipment and should be accounted for as such.

In addition, management identified cable car spare parts that were not allocated costs from the electric drive upgrade performed in 2016, and as such, were accounted with depreciation not in line with the Company's accounting policy.

Due to inherent limitations, prior period restatement was only made on the opening balances of the current year as shown below.

	Property, Plant and equipment - Cable car equipment & tracks	Property, Plant and equipment - Spare parts	Accumulated revenue and expenses
<b>Balance at 1 July 2023</b>	7,824,161	501,026	(4,131,122)
<i>Re-classification of cable car spare parts inventory</i>	-	-	-
<i>Allocation of cost for the cable car spare parts</i>	(89,825)	89,825	-
<i>Rollback of depreciation recorded as at 30 June 2023 on spare parts acquired as part of the 2016 upgrade</i>	20,451	-	(20,451)
<b>Restated balance at 1 July 2023</b>	<b>7,754,787</b>	<b>590,851</b>	<b>(4,151,573)</b>

### 3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from those estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### (a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the application of the going concern assertion.

#### (b) Assumptions and estimation uncertainties

There are no key estimates that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

### 4 SUMMARY OF ACCOUNTING POLICIES

In the preparation of these financial statements, the specific accounting policies are as follows:

#### (a) Property, Plant & Equipment

##### Recognition

Property, plant and equipment consist of operational assets and cable car spare parts expected to be used for more than one reporting period. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses.

##### Measurement

Property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised.

##### Cable Car Assets

The Cable Car assets comprising the cable car, tracks, tunnels, terminals, spare parts and cable car equipment are valued at cost less accumulated depreciation and annually reviewed for impairment to ensure its carrying value is accurately reflected.

### Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment in accordance with PBE IPSAS 21 and PBE IPSAS 26. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the surplus or deficit.

### Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the surplus or deficit in the period in which the transaction occurs.

### Depreciation

Depreciation is provided on all property, plant and equipment, except for parts held as spares and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

Cable Car Tracks	1.5% - 6%
Cable Car & Equipment	1.5% - 67%
Computer Equipment	7% - 40%
Motor Vehicles	20%
Furniture & Fittings	2% - 30%

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

The Cable Car spare parts have an infinite useful life when held as spares, and there is uncertainty around when they will be installed and used. The cost of these spare parts are allocated based on the expected use, and depreciated using the usage method based on the number of cable car trips the parts are estimated to be used for. Through the cable car trips, management believes this to closely reflect the expected pattern of consumption of the future economic benefits or service potential embodied on these cable car parts.

### Work-in-progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed. It is transferred to the relevant asset class only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured.

### (b) Foreign Currencies

Transactions in foreign currencies that are settled in the accounting period are translated into NZD (the functional currency) using the spot exchange rates at the dates of the transaction. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the surplus or deficit.

### (c) Intangible Assets

Intangible assets comprise computer software which has a finite life and is initially recorded at cost less any amortisation and impairment losses. Amortisation is charged to the surplus or deficit on a straight-line basis over the useful life of the asset.

Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 years
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Realised gains and losses arising from disposal of intangible assets are recognised in the surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the surplus or deficit.

#### **(d) Goods & Services Tax**

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. The net amount of GST recoverable from or payable to Inland Revenue is included as part of receivables or payables in the statement of financial position.

#### **(e) Income Tax**

Income tax expense is charged in the Statement of Comprehensive Revenue and Expense in respect of the current year's results. Income tax on the surplus or deficit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable revenue for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at reporting date. Deferred income tax assets are recognised to the extent that it is probable that future taxable surplus will be available against which the temporary differences can be utilised.

#### **(f) Inventories**

Wellington Cable Car Limited's inventory comprises of items held in respect of maintaining and operating the Cable Car, and merchandise held for sale. In accordance with PBE IPSAS 12, all inventory has been valued at the lower of cost (using the first-in-first-out method) or net realisable value.

#### **(g) Leases**

##### **Operating Leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in surplus or deficit in the period in which they are incurred. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease payment.

#### **(h) Statement of Cash Flow**

The Statement of Cash Flow has been prepared using the direct approach.

Operating activities include cash received from all revenue sources of the Company and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the Company.

#### **(i) Related Parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties also include key management personnel or a close member of the family of any key management personnel.



Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

#### **(j) Financial Instruments**

Wellington Cable Car Limited classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Financial Assets**

##### **Trade and other receivables**

Trade and other receivables are initially recorded at their fair value plus directly attributable transaction costs, and subsequently at amortised cost using the effective interest method, less any provision for impairment. An impairment provision for trade receivables consists of the expected credit loss and a specific provision for individual debts that are known to be uncollectable and are written off in the period.

The Company applies the PBE IPSAS 41 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected credit losses are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward looking information on microeconomic factors affecting the Company's customers. At the reporting date the Company does not expect to incur any credit losses.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their fair value.

##### **Short term investments**

Short term investments comprise term deposits which have a term of greater than three months and invested for a period of less than 12 months, and therefore do not fall into the category of cash and cash equivalents. These are accounted for on the same basis as trade and other receivables.

#### **Financial Liabilities**

##### **Trade and other payables**

Short term payables are initially recorded at fair value (plus transaction costs) and are measured subsequently at amortised cost using the effective interest method.

#### **(k) Exchange Revenue**

Wellington Cable Car Limited derives revenue from the cable car passenger service with fares being the main source of exchange revenue along with a minor amount of income from merchandise sales.

Revenue from the sale of passenger fares is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Company, and measured at the fair value of consideration received or receivable.

Revenue from the sale of merchandise in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards for sales of merchandise occurs when the product is dispatched to the customer.

Rental income arising from sub-lease of the office premises is accounted for on a straight-line basis over the lease term. Interest income is recognised as the interest accrued, using the effective interest method.

#### (l) Grants - Non-exchange revenue

Grants are recognised as revenue when received, unless conditions apply. Any grants for which conditions apply under the grant agreement are carried as liabilities until all the conditions have been fulfilled.

#### (m) Employee Benefit liabilities

Short term employee benefit liabilities are recognised when the Company has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

#### (n) Share Capital

The total number of authorised, issued and fully paid shares at reporting date was 7,434,846 (2023: 7,434,846) ordinary shares.

These shares have full voting rights and participate fully in all dividends and proceeds upon winding up.

## 5 NATURE OF THE BUSINESS

Wellington Cable Car Limited owns and operates the Wellington Cable Car providing passenger service to Kelburn and a tourist attraction for the city of Wellington.

The Cable Car business is funded from Cable Car fares.

There has been no change in the nature of business during the year under review.

## 6 VARIANCES TO BUDGET

Commentary is provided for major variances to budget

<b>Statement of comprehensive revenue and expense</b>	<b>2024 Actual</b>	<b>2024 Budget</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Operating revenue	4,222,453	3,602,150	620,303	17%
Non-exchange revenue	318,982	250,000	68,982	28%
Operating expenses	2,934,241	3,204,203	(269,962)	-8%
Depreciation and amortisation	327,950	319,509	8,441	3%

The company made a surplus of \$1,279m before tax, which is significantly better than the budgeted surplus of \$328k before tax. The majority of the variance against budget relates to fare revenues out-performing budget due to international tourism levels exceeding budget. The variance against budget for non-exchange revenue relates to the release of long-term plan grant funding received from Wellington City Council. The variance against budget for operating expenses relates to the lower repairs and maintenance and insurance.

## 6 VARIANCES TO BUDGET (CONTINUED)

### Statement of financial position

	2024 Actual \$	2024 Budget \$	Variance \$	Variance %
Current assets	6,685,452	4,911,000	1,774,452	36%
Non-current assets	8,727,782	8,220,000	507,782	6%
Current liabilities	1,705,860	271,000	1,434,860	529%
Non-current liabilities	1,206,171	653,000	553,171	85%
Equity	12,501,203	12,207,000	294,203	2%

Assets were significantly above budget at 30 June 2024 due to the increased fare revenue during the year, as well as the tunnel strengthening work undertaken with the long term plan funding received from Wellington City Council. Non-current liabilities are above budget at 30 June 2024 due to the movement in deferred tax liability which was not budgeted. Overall this had a positive impact on the net asset position at year-end.

### Statement of cash flows

	2024 Actual \$	2024 Budget \$	Variance \$	Variance %
Net cash flow from operating	1,537,909	403,000	1,134,909	282%
Net cash flow from investing	(967,070)	(600,000)	(367,070)	61%
Net cash flow from financing	-	-	-	0%

Net cash flow from operating activities is significantly above budget for the year due to the rise in international tourism and resulting increase in fare revenues. Net cash flow from investing activities differs from budget due to investing in term deposits. Cash reserves, including short-term deposits, held at year-end were \$1.5m higher than budgeted.

## 7 REVENUE

	2024 \$	2023 \$
<b>Exchange revenue</b>		
Cable Car revenue	3,872,646	3,223,931
Miscellaneous revenue	39,379	59,738
Interest revenue - loans and receivables	310,428	192,475
<b>Total exchange revenue</b>	<b>4,222,453</b>	<b>3,476,144</b>
<b>Non-exchange revenue</b>		
Wellington City Council - LTP grant	318,982	1,436,881
<b>Total non-exchange revenue</b>	<b>318,982</b>	<b>1,436,881</b>
<b>Total Revenue</b>	<b>4,541,435</b>	<b>4,913,025</b>

For the current year, Cable Car fare revenue was \$650k more than in the 2023 year. This was due to the increase in international tourists following the COVID-19 pandemic.

The Company utilised \$319k of the LTP funding received from Wellington City Council during the 2024 year (2023: \$1,437m).

<b>LTP Funding grant</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2023	204,619	-
Long-term plan funding grant received	588,000	1,641,500
Grant used on capital expenditure	(318,982)	(1,436,881)
<b>Balance at 30 June 2024</b>	<b>473,637</b>	<b>204,619</b>

The Company received a grant from Wellington City Council during the year from the Long-Term Plan fund of \$588,000 (2023: \$1,641,500). The Company used this grant to pay for work completed on asset improvements to the tunnels. There is a balance of \$473,637 identified as a liability at 30 June 2024 (2023: \$204,619).

<b>8 OPERATIONS AND GENERAL EXPENSES</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Cable Car operational costs	319,198	313,000
Cable Car maintenance costs	184,413	178,806
Marketing costs	48,609	40,548
Administration costs	244,104	184,033
Insurance costs	539,390	649,647
<b>Total operations and general expenses</b>	<b>1,335,714</b>	<b>1,366,035</b>

<b>9 AUDITOR'S REMUNERATION</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Auditing the financial statements	57,293	47,950
<b>Total auditor's remuneration</b>	<b>57,293</b>	<b>47,950</b>

No payments were made to the auditor for other services during the year under review (2023: \$nil).

## 10 RELATED PARTIES

Wellington Cable Car Limited contracts various services from the Wellington City Council.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Wellington Cable Car Limited would have adopted in dealing with the party at arms' length in the same circumstances. Further, transactions with other Councils / Council Controlled Organisations are not disclosed as related party transactions when they are consistent with the normal operating arrangements between Councils / Council Controlled Organisations and undertaken on the normal terms and conditions for such transactions.

As disclosed in Note 8, the Company received LTP funding of \$588,000 from Wellington City Council which is being used to pay for the tunnel strengthening project.

We are required to disclose the remuneration and related party transactions of key management personnel, which comprise the Directors, the Chief Executive and the Asset and Engineering Manager.

### KEY MANAGEMENT PERSONNEL

The key management personnel are the directors, Chief Executive and Senior Leadership Team. The full-time equivalent (FTE) number of individuals receiving remuneration as key management (excluding directors) during the year was 3 (2023: 3). At 30 June 2024 this number was three.

	2024	2023
	\$	\$
Salaries and wages	475,118	452,209
Directors' fees	60,000	45,000
<b>Total key management personnel remuneration</b>	<b>535,118</b>	<b>497,209</b>

The FTE number of directors at 30 June 2024 was three (2023: two). Due to the difficulty in calculating the FTE for directors, the FTE figure is taken as the number of directors.

<b>DIRECTORS' REMUNERATION</b>	2024	2023
	\$	\$
D McComb	15,000	15,000
D Perks	30,000	30,000
E Christie	7,500	-
K Tsui	7,500	-
<b>Total Directors' remuneration</b>	<b>60,000</b>	<b>45,000</b>

There have been no other transactions with Directors other than Directors' remuneration. It is noted that \$30,000 of the directors' remuneration listed above for D Perks is payable to Wellington City Council.

<b>11 EMPLOYEES' REMUNERATION</b>	2024	2023
	\$	\$
Salaries and wages	1,379,585	1,219,925
Contributions to defined contribution funds	35,495	32,675
<b>Total employees' remuneration</b>	<b>1,415,080</b>	<b>1,252,600</b>

<b>12 CASH AND CASH EQUIVALENTS</b>	2024	2023
	\$	\$
ANZ Cheque Account	971,098	1,088,873
ANZ Savings Account	1,202,024	813,424
ANZ Foreign Current Accounts	7,501	7,487
ANZ Term deposit	300,000	-
<b>Total cash and cash equivalents</b>	<b>2,480,623</b>	<b>1,909,784</b>

The ANZ bank accounts have interest rates of 5.50% p.a. at year end (2023: 5.50% p.a.). The ANZ term deposit has an interest rate of 6.23% p.a., a term of 3-months and a maturity date of 29 July 2024.

<b>13 SHORT TERM DEPOSITS</b>	2024	2023
	\$	\$
ANZ Term deposits	3,510,000	2,905,753
<b>Total short term deposits</b>	<b>3,510,000</b>	<b>2,905,753</b>

The ANZ Term deposits have varying terms of 6-12 months, interest rates of 5.84% p.a. - 6.47% p.a. (2023: 4.88% p.a - 6.04% p.a), and maturity dates of August 2024 - June 2025.

## 14 FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, receivables from exchange transactions and payables from exchange transactions. The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2024	2023
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	2,480,623	1,909,784
Short term deposits	3,510,000	2,905,753
Trade and other receivables	137,320	84,082
<b>Total financial assets</b>	<b>6,127,943</b>	<b>4,899,619</b>
<b>Financial Liabilities</b>		
Trade and other payables	864,276	259,358
<b>Total financial liabilities</b>	<b>864,276</b>	<b>259,358</b>

## 15 TRADE AND OTHER RECEIVABLES

	2024	2023
	\$	\$
<b>Exchange</b>		
Trade receivables	43,587	16,895
Other receivables	93,733	67,187
<b>Total exchange</b>	<b>137,320</b>	<b>84,082</b>
<b>Non-exchange</b>		
Trade receivables	-	-
Other receivables	-	-
<b>Total non-exchange</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables</b>	<b>137,320</b>	<b>84,082</b>

All receivables greater than 30 days in age are considered past due. There are no material trade receivable balances past due.

The Company has assessed the probability of non-payment of trade receivables using the PBE IPSAS 41 simplified approach to measuring expected credit losses and has concluded that there is no impairment loss during the year.

## 16 INVENTORY

	2024	2023
	\$	\$
Cable Car consumables	870	2,281
Merchandise	41,552	9,578
<b>Total inventory</b>	<b>42,422</b>	<b>11,859</b>

<b>17 TRADE AND OTHER PAYABLES</b>	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Exchange</b>		
Trade payables	760,147	164,879
Accrued expenses	104,129	94,479
<b>Total exchange</b>	<b>864,276</b>	<b>259,358</b>
<b>Total trade and other payables</b>	<b>864,276</b>	<b>259,358</b>

All payables greater than 30 days in age are considered past due. There are no material trade payable balances past due.

<b>18 INCOME TAX</b>	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Components of tax expense</b>		
Current tax expense	302,456	27,205
Deferred tax expense	62,004	490,722
<b>Tax expense</b>	<b>364,460</b>	<b>517,927</b>
<b>Reconciliation of effective tax rate</b>		
Net (deficit) for the period before tax	1,279,244	1,817,655
Tax at 28%	358,188	508,943
Plus/(less) tax effect of:		
Non-deductible expenditure	545	827
Non-taxable income	-	-
Prior period adjustment	5,727	8,157
<b>Tax expense</b>	<b>364,460</b>	<b>517,927</b>

**Movement in deferred tax asset/(liability)**

	<b>Property, plant &amp; equipment</b>	<b>Provisions</b>	<b>Tax Losses</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at 30 June 2022	(792,833)	19,914	119,473	(653,445)
Charged to surplus or deficit	(376,038)	4,790	(119,473)	(490,722)
Charged to other comprehensive income	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>(1,168,871)</b>	<b>24,704</b>	<b>-</b>	<b>(1,144,167)</b>
Charged to surplus or deficit	(60,778)	(1,226)	-	(62,004)
Charged to other comprehensive income	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>(1,229,649)</b>	<b>23,478</b>	<b>-</b>	<b>(1,206,171)</b>

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Income tax receivable/(payable)</b>		
Opening balance	11,928	6,593
Tax on income	(302,456)	(27,205)
RWT deducted	79,483	39,133
Provisional tax paid/(refunded)	(11,928)	(6,593)
<b>Income tax receivable/(payable)</b>	<b>(222,973)</b>	<b>11,928</b>

## 19 PROPERTY, PLANT & EQUIPMENT

	Cable Car equipment & tracks	Cable car spare parts	Furniture & Computer equipment	Motor Vehicles	Work in Progress	Total
<b>Cost</b>						
<b>Balance at 30 June 2023</b>	11,470,760	510,245	171,640	41,326	2,890	12,196,861
Reclassification of Spare parts	(89,825)	89,825	-	-	-	-
<b>Balance at 1 July 2023</b>	11,380,935	600,070	171,640	41,326	2,890	12,196,861
Additions	406,896	200,703	39,092	-	9,834	656,525
Transfers to/(from) WIP	-	-	2,890	-	(2,890)	-
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	11,787,831	800,773	213,622	41,326	9,834	12,853,386
<b>Depreciation and amortisation</b>						
<b>Balance at 30 June 2023</b>	3,646,598	9,219	121,579	41,326	-	3,818,722
Reclassification of Spare parts	(20,451)	-	-	-	-	(20,451)
<b>Balance at 1 July 2023</b>	3,626,147	9,219	121,579	41,326	-	3,798,271
Charge for the year	280,448	28,306	18,579	-	-	327,333
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	3,906,595	37,525	140,158	41,326	-	4,125,604
<b>Carrying amount</b>						
<b>Balance at 1 July 2022</b>	6,706,863	405,649	34,201	10,554	-	7,157,267
<b>Balance at 30 June 2023</b>	7,824,161	501,026	50,061	-	2,890	8,378,138
<b>Balance at 30 June 2024</b>	7,881,236	763,248	73,464	-	9,834	8,727,782

There are no restrictions over Wellington Cable Car Limited's property, plant & equipment. No property, plant or equipment is pledged as security for liabilities.

## 20 INTANGIBLES

	Intangibles Software
<b>Cost</b>	
<b>Balance at 30 June 2023</b>	13,950
Additions	-
Disposals	-
<b>Balance at 30 June 2024</b>	13,950
<b>Depreciation and amortisation</b>	
<b>Balance at 30 June 2023</b>	13,333
Charge for the year	617
Disposals	-
<b>Balance at 30 June 2024</b>	13,950
<b>Carrying amount</b>	
<b>Balance at 30 June 2022</b>	4,461
<b>Balance at 30 June 2023</b>	617
<b>Balance at 30 June 2024</b>	-

There are no restrictions over Wellington Cable Car Limited's intangible assets. No intangible assets are pledged as security for liabilities.



## 21 OPERATING LEASE COMMITMENTS

	2024	2023
	\$	\$
Non-cancellable operating lease commitments:		
<b>As lessee</b>		
Not later than 1 year	6,330	6,490
Later than 1 and not later than 2 years	1,539	2,771
Later than 2 and not later than 5 years	-	-
<b>Total lessee</b>	<b>7,869</b>	<b>9,261</b>

The Company hired a shared office space at Wellington Museum Trust from June 2022 onwards. This lease is cancellable within three months notice by either party.

## 22 CAPITAL COMMITMENTS

At reporting date Wellington Cable Car Limited has no capital commitments (2023: \$59k).

## 23 SUBSEQUENT EVENTS

After reporting date, LTP funding of \$6,696m has been confirmed by the council, to be phased over the 5-year period to June 2029, for work on the bridge strengthening project (2023: nil).

Also subsequent to balance date, a tax pool deposit of \$180,000 was made to Tax Management New Zealand on 25 July 2024, to cover taxes payable for the 2024 year.

# Independent auditor's report

## To the readers of the Wellington Cable Car Limited's Financial Statements and Performance Information for the year ended 30 June 2024

The Auditor-General is the auditor of the Wellington Cable Car Limited (the Company). The Auditor-General has appointed me, Michael Rania, using the staff and resources of Moore Markhams Wellington Audit, to carry out the audit of the financial statements and the performance information, of the Company on the Auditor-General's behalf.

### Opinion

We have audited:

- the financial statements of the Company on pages 17 to 33, which comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Company on pages 5 to 14.

In our opinion:

- the financial statements of the Company on pages 17 to 33:
  - present fairly, in all material respects:
    - its financial position as 30 June 2024; and
    - its financial performance and cash flows for the year that ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the Company on pages 5 to 14 presents fairly, in all material respects, the Company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Company's objectives for the year ended 30 June 2024.

Our audit was completed on 27 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the Auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Board of Directors for the financial statements and the performance information**

The Board of Directors are responsible on behalf of the Company for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practices in New Zealand.

The Board of Directors are responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors are responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

### **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed with the Company's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### Other Information

The Board of Directors are responsible for the other information. The other information comprises the information included on pages 1 to 4 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the Company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Company.



Michael Rania  
**Moore Markhams Wellington Audit**  
On behalf of the Auditor-General  
Wellington, New Zealand



**DANGER**  
ENTRY OF  
UNAUTHORISED  
PERSONS IS PROHIBITED

**BE SEATED**  
PLEASE FASTEN  
YOUR SEATBELT  
WHEN THE CABLE CAR  
IS MOVING

KELBURN • LAMBTON QUAY

• WELLINGTON •  
**CABLE CAR**  
NEW ZEALAND

LAMBTON QUAY • KELBURN