

WELLINGTON CABLE CAR LTD

STATEMENT OF INTENT

FY25-27



Presented to:
Wellington City Council pursuant to
Section 64 of the Local Government Act 2002

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 2023 Letter of Expectations.

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INTRODUCTION

For the first time since the COVID-19 pandemic, Wellington Cable Car Ltd (WCCL) proudly achieved a significant milestone by welcoming one million passengers aboard the iconic cars in the calendar year 2023. This marked a return to pre-pandemic levels of business, showcasing the resilience of both the Cable Car and the broader Wellington tourism sector. The restoration of these passenger numbers has not only revitalised the Cable Car's role as a major contributor to Wellington's economic landscape but has also reinstated its financial autonomy.

Distinguishing itself from most Council Controlled Organisations (CCOs), the Cable Car owns its assets outright and traditionally operates without financial assistance from the Council for day-to-day operations. WCCL's renewed financial independence allows us to once again self-fund ongoing maintenance and capital expenditure, while also maintaining robust reserves, positioning us favourably to fund non-Long-Term Plan (LTP) asset renewals.

The Cable Car has a positive outlook for the upcoming fiscal years (FY25-27). The resurgence of air connectivity from key markets has led to a promising SOI forecast. International visitors (including cruise passengers) continue to make up a large portion of the Cable Car's passenger demographic (circa 60%). With approximately 750,000 international visitors expected to visit Wellington in FY25 (a return to 2019 levels), the Cable Car expects to attract a significant portion of them once again. The return of international visitors has also meant that WCCL no longer needs operational funding from the Wellington rate payer and the Cable Car has returned to a place of enabling key downtown attractions to enjoy success alongside those in the Kelburn precinct and beyond.

In FY23, cruise passengers accounted for 15% of total passenger numbers and contributed to 30% of the Cable Car's revenue. Given the significance of the sector to our business, a key watchout will be the risk of ships deploying away from New Zealand due to hull cleaning restrictions, increasing fees, and geopolitical issues. A drop in cruise passenger numbers, as we are already seeing for the upcoming season, will have an impact on our bottom line so we have considered this closely when forecasting targets.

Looking ahead to FY25-27, WCCL has outlined key focus areas to ensure the sustained success and growth of the Cable Car. A primary objective is the continuation of the seismic resilience programme, particularly focusing on the evaluation and enhancement of our three bridges.

The \$6.7m funding required for the bridge strengthening has been incorporated into the draft 2024-2034 LTP budget bid. We are grateful to Council for including it in the LTP and their support of our seismic programme of works. Detailed assessments conducted in FY24 will provide a comprehensive understanding of risks and opportunities, facilitating informed decisions on necessary strengthening measures. This proactive approach aligns with WCCL's commitment to transparency, ensuring that funding requirements for this critical work are communicated well in advance.

In addition to seismic resilience, WCCL is committed to advancing its environmental and cultural initiatives. Proudly providing a carbon-free mode of transport, we will continue our carbon reduction efforts, and increase our emphasis on Te Ao Māori. A comprehensive digital content strategy, and a new pricing strategy are also among the company's strategic initiatives. Furthermore, WCCL is taking a leading role in developing an options paper for the Top of the Cable Car Precinct, aiming to enhance the vibrancy and appeal of the area for both locals and visitors, solidifying the Cable Car's place as an enduring icon in Wellington's cultural and economic fabric.

	2021 Actual \$000	2022 Actual \$000	2023 Actual \$000	2024 Forecast \$000	2025 Budgeted \$000	2026 Budgeted \$000	2027 Budgeted \$000
Passenger numbers	567,721	448,306	922,959	1,027,832	980,000	1,009,400	1,059,870
Operating expenditure	(2,879)	(2,519)	(2,777)	(2,917)	(3,031)	(3,139)	(3,345)
Operating income	1,713	1,410	3,476	4,128	4,179	4,443	4,698
Grants & Subsidies	1,638	1,112	1,437	289	60	425	0
Profit/(Loss) Before Tax & Depreciation	471	3	2,136	1,499	1,208	1,729	1,353
Depreciation	(585)	(304)	(318)	(331)	(329)	(340)	(333)
Profit/(Loss) before Tax	(114)	(301)	1,818	1,169	879	1,389	1,020
Closing Cash Position	3,174	3,699	4,816	6,189	6,640	6,768	6,815
INSURANCE EXCESS FUND	500	506	506	506	506	506	506
ASSET RENEWAL FUND	2,674	3,193	4,310	5,683	6,134	6,262	6,309
WCCL INSURANCE PREMIUM	539	597	650	539	507	532	559

Figure 1. WCCL Commercial position



ABOUT WELLINGTON CABLE CAR LTD

Who we are

Wellington Cable Car Limited 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, 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.

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.

The economic impact extends beyond the direct employment provided by the Cable Car. The influx of visitors stimulates the hospitality, retail, and entertainment sectors in the surrounding areas, fostering a thriving ecosystem of businesses. Local cafes, shops, and attractions benefit from the increased foot traffic generated by those drawn to the Cable Car experience.

In addition to serving as a catalyst for tourism, the Cable Car contributes to the region's economic resilience by being primarily financed through passenger fare income. This financial model not only ensures the self-sustainability of the Cable Car but also underscores its ability to adapt to changing economic conditions.

As the kaitiaki of this Te Whanganui-a-Tara / Wellington taonga, WCCL is committed to the ongoing maintenance and safe operation of the Cable Car. This responsibility goes beyond providing a memorable experience; it involves upholding best practice engineering standards and complying with all relevant legislation. The Cable Car, as a symbol of Wellington's identity, requires meticulous care to preserve its heritage and ensure its continued contribution to the economic vitality of the region.

In 2024, the Cable Car marked its 122nd year of service, connecting people and fostering the growth of the Wellington region. It stands as a testament to Wellington's resilience and commitment to embracing its rich history while looking towards a prosperous future.

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: Host uniquely Wellington experiences that locals are proud of, and visitors remember and share.

Our values enable our purpose:

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



FY25-27 FOCUS AREAS AND FY25 ACTIVITY

In addition to Council expectations, our key priorities for FY25-27 fall under five strategic focus areas which guide the most impactful work:

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.				
PURPOSE & VALUES	Host uniquely Wellington experiences that locals are proud of, and visitors remember and share. Kaitiakitanga Safe Workplace Guest Centred Pride Team Adaptability				
STRATEGIC FOCUS AREAS	CARE FOR OUR TAONGA	LEVERAGE OUR TOURISM MANA	SUPERCHARGE OUR CX	PARTNER FOR SUCCESS	NURTURE OUR WHANAU
FY25-27 OBJECTIVES	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.
OUTCOMES	<ul style="list-style-type: none"> Our cultural and historical assets are maintained and cared for The Cable Car has a reputation as a safe, reliable and sustainable business 	<ul style="list-style-type: none"> We are the #1 activity recommendation by travel partners Top of the Cable Car precinct is a destination of choice for visitors and locals 	<ul style="list-style-type: none"> We continually surprise and delight our customers through targeted activations, campaigns and products Focused acquisition and retention of customers 	<ul style="list-style-type: none"> Council, CCOs and wider stakeholders are engaged, aligned and onboard with our vision Work is targeted and leverages wider industry and partner capabilities 	<ul style="list-style-type: none"> Team is enabled with the systems, capabilities and environment they need to deliver outstanding work Projects produce impact and measurable results
FY25 PROJECTS INCLUDE	Asset Management Plan; seismic resilience work on bridges; and carbon reduction initiatives.	Top of the Cable Car Precinct options paper; content and training materials for travel trade; leveraging city-wide and business events; and off-peak strategy.	Rollout of new Digital Content Strategy; product development; accessibility initiatives; and pricing strategy.	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.

OUR RESPONSE TO THE COUNCIL’S STATEMENT OF EXPECTATIONS

Enduring expectations

Acknowledging the enduring expectations set by WCC, the Cable Car is committed to regular engagement with the Council’s CCO team, fostering a collaborative approach, helping the Council to deliver on its strategic priorities, and ensuring a ‘no surprises’ approach to our work.


Priority is given to health and safety within WCCL’s operations, alongside meticulous adherence to the legislation that governs a passenger transport business. Our comprehensive set of policies and processes guarantees compliance with all pertinent regulations, supported by a robust risk management framework to effectively identify, and address potential hazards and risks.

Additionally, in compliance with directives, WCCL will undertake a thorough board review and maintain a board skills matrix with delivery to Council on the requested dates.

Upholding the living wage standards and accommodating necessary adjustments remains a steadfast commitment for WCCL.

Alignment with Council strategies

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>LTP Priorities</p>	<p>WCCL is committed to aligning with WCC’s strategic direction and long-term plans and we fully support the Council's vision and priorities as outlined in the 2024-34 Long-term Plan. Our support for this strategy is reflected in our dedicated efforts to:</p> <p>Transport Transformation: We actively contribute to the Council's objective of reshaping the transport system by focusing on both enhancing our efficiency and pricing for locals, plus promoting and celebrating our alternative mode of transportation to reduce vehicular reliance. As a wholly electric operation and one that also produces sustainable energy through our regenerative braking system we are proud of how we contribute to the transformation of transport in Wellington.</p> <p>Arts Sector Development: We are supporters of nurturing and expanding the arts sector within Wellington. Our commitment involves fostering partnerships, performance initiatives, and offering our facilities to the arts community, complementing the Council's priority to foster creativity and cultural vibrancy.</p>



Te Ao Māori Visibility: Embracing and celebrating te ao Māori is an integral part of our approach. We actively work to make te ao Māori visible across our work and operations, supporting the Council's aim to promote and celebrate Māori culture throughout the city. Our actions are grounded in respect, collaboration, and inclusivity.

Revitalisation for Economic Growth: We are actively involved in revitalising both the city centre and the Northern suburbs to support a robust economy and foster job growth. Our planning for initiatives to improve the Kelburn terminus precinct vibrancy will create an environment conducive to business development, innovation, and job creation, aligning closely with the Council's vision for a thriving and resilient economy.

Accessible Connectivity: As a fully accessible service, the Cable Car not only facilitates seamless connectivity within our vibrant city but also ensures inclusivity for individuals of all abilities. By providing a reliable and user-friendly transportation option, the Cable Car contributes to a more sustainable urban environment and aligns perfectly with the council's vision to create a city where everyone can enjoy our community and recreation facilities without barriers.

WCCL's strategies, initiatives, and operations are structured to echo the Council's vision and priorities, serving as a committed partner in advancing these objectives for the betterment of Pōneke and its community.

Tūpiki Ora and Takai Here

At the Cable Car, we are committed to elevating the status of te reo Māori and fostering Te Ao Māori across the city. We will actively prioritise access to, resource allocation for, and investment in Te Ao Māori through several key initiatives that align with Council's documents under the following headings:

- **Te whakatairanga i te ao Māori/Enhancing and promoting Te Ao Māori**
 - Language Access: We ensure that te reo Māori is readily accessible and integrated into our communication channels, both internally and externally. This includes bilingual signage, documentation, and promotional materials to actively promote and preserve the language.
 - Product development: Within our product development initiatives, effort is dedicated towards the creation of innovative cultural products that respectfully narrate the stories and heritage of mana whenua. This includes collaboration with our CCO and Council



partners to celebrate Matariki.

- Education and Awareness: We invest and participate in educational programmes and initiatives that raise awareness and understanding of Te Ao Māori among our staff and the broader community. This includes cultural competency training, workshops and attending careers expos to foster a deeper appreciation and respect for Māori culture.

- **Tiakina te Taiao/Caring for our environment**

- Stewardship: The Cable Car is committed to environmental stewardship, implementing initiatives that actively contribute to preserving our natural habitat. Practical projects such as the installation of rat traps within our tunnels and feather-friendly decals on our Kelburn Terminal demonstrate our commitment.
- Looking ahead our commitment remains to seek new avenues for environmental collaboration and make meaningful strides in addressing environmental challenges.

- **Te whakapakari pūmanawa/Building capability**

- Partnerships: We will actively engage in a process of dialogue and collaboration with mana whenua representatives, recognising the value of their perspectives, cultural insights, and traditional knowledge in shaping a co-designed collective direction. This includes actively participating in the Tūpiki Ora working group alongside our CCO partners and Council.

- **He whānau toiora/Thriving communities**

- Community Engagement: We will prioritise community engagement by seeking input and participation from Māori communities. Their voices and perspectives are integral to our decision-making processes, ensuring that initiatives align with their needs and aspirations.
- Collaboration: WCCL are proud collaborators with Council on the Rangatahi Pathways programme, and we will actively find opportunities to promote Māori culture and support city-wide initiatives including Matariki activations.




Te Atakura: First to Zero

In alignment with the Council's aspirations and recognising the shared responsibility for emission reduction targets, WCCL acknowledges the need for collaborative leadership and strategic partnerships across the city to effect transformative change.

The Cable Car is dedicated to actively supporting the city's ambition to more than halve city emissions within the next eight years. This commitment involves implementing targeted initiatives, adopting sustainable practices, and leveraging innovative solutions to significantly reduce our carbon footprint.

- The Cable Car is already an extremely efficient mode of transport, (designed with regenerative braking, which feeds excess energy back into the grid), and we will continue to find ways to save electricity eg: installing timers on the tunnel-lights system and station platforms.
- The Cable Car is aiming to maximise the amount of waste diverted from landfill via recycling programmes and new composting options during cruise season.
- In FY24 WCCL was proud to once again achieve EKOS Carbon Zero certification and will undertake a further audit in FY25 as we look for ways to become Carbon Positive in the future.
- In FY24 we will investigate installing e-bike racks within our operating footprint to encourage more sustainable transport options for our team.
- Given the level of seismic work planned for the Cable Car, in an effort to promote sustainability we are dedicated to working with partners who adhere to 'social procurement' standards. By actively seeking out and collaborating with construction firms that prioritise sustainable practices and utilise environmentally friendly products, we aim to mitigate the ecological impact associated with the industry. Through such partnerships, we not only contribute to reducing carbon footprints but also set a precedent for responsible business practices that align with the values of social and environmental stewardship.
- The Cable Car will continue to ensure our AMP considers and ensures that all infrastructure is able to withstand the effects of climate change and that business plans and forecasts are robust enough to withstand any business interruption associated with climate change.


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<p>Aho Tini 2030</p>	<p>As a culturally significant landmark, the Cable Car has played host to numerous artists and events throughout its history, consistently looking for ways to embrace the creativity of Pōneke.</p> <ul style="list-style-type: none"> • The Cable Car precinct, including the cars and terminals, provide distinctive and diverse venue spaces and amenities that artists can utilise beyond regular hours and even during operational periods. • In addition, we aim to connect with local artists, providing opportunities for them to create permanent murals on unused walls within the precinct. • Collaborating with the Creative Capital team at WCC, WCCL is actively exploring innovative uses for the Cable Car structures and their surroundings. We are committed to ongoing partnerships with precinct collaborators, the broader tourism sector, and the Council to contribute to city-wide initiatives and events.
<p>Strategy for Children and Young People</p>	<p>WCCL is committed to ensuring a secure, enjoyable, and educational adventure for children and young individuals, and we prioritise their well-being.</p> <ul style="list-style-type: none"> • Special pricing is offered for children, and students have many low-priced options for travel to make the experience more affordable. • Ongoing collaboration with Experience Wellington and other educators is maintained to develop products tailored for schools and children. • In FY24, WCCL explored the possibility of installing a glass floor in the winding room and a visual feed from the winding room onto terminal screens to provide an educational glimpse into the inner workings of the Cable Car. In FY25 we will look to implement one of these initiatives. • The commitment to surprise and delight young visitors will continue through pop-ups and activations, such as Winding Room tour activations, family-friendly entertainment during the school holidays, and 'kids-ride-free' promotions for International Children's Day in March. • We will continue to support Victoria University's Orientation Week Expo, promoting both the fare options available to students, and the opportunity to work at the Cable Car during their studies.




Economic Wellbeing Strategy

To align with the outcomes outlined in the Economic Wellbeing Strategy for Wellington, the Cable Car is committed to contributing to the development of a dynamic and resilient city. We aim to align with each outcome through:

- **Sustainable business and career pathways**
 - We prioritise providing equal opportunities for all individuals, ensuring meaningful, fairly paid, and inclusive work within our organisation. This includes paying all employees at or above the Living Wage, and through RFP processes, we will look to contract work with businesses who also uphold these standards.
 - Our commitment extends to supporting career pathways through documented training and development programmes.
- **Transitioning to a zero-carbon circular economy**
 - Our operations are geared towards sustainability, with a focus on minimising waste and adopting circular economy principles.
 - We are proudly carbon zero and looking into initiatives to become carbon positive in the future.
 - From a social procurement perspective, we will also actively seek to work with companies who focus on sustainable and carbon friendly products and supply chains, especially within the construction industry.
- **A business-friendly city**
 - The Cable Car embodies the connection between the dynamic city heart and the northern suburban centres, and acts as the gateway to the important Kelburn precinct which is home to the Cable Car Museum, Space Place, Kelburn Village, Zealandia and the Botanic Gardens.
 - Our collaborative efforts with local businesses and CCOs, and future investors and developers aim to enhance the overall business environment and promote economic growth in Wellington.
- **Centre of creativity and design**
 - Collaborating with Experience Wellington and WellingtonNZ, the

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	<p>Cable Car takes a leading role in coordinating a working group focused on enhancing the vibrancy of the Kelburn terminus precinct. This initiative aims to create an appealing destination for both locals and visitors, ensuring its allure endures into the future.</p> <ul style="list-style-type: none"> ○ We are dedicated to fostering creativity and innovation, contributing to Wellington's position as the creative hub of Aotearoa New Zealand. ● Celebrate our Capital City status <ul style="list-style-type: none"> ○ We recognise and celebrate Wellington as the Capital City, and the Cable Car's place in that history by actively participating in events and initiatives that raise its profile. ○ Our commitment to the community and the city's cultural and civic life reflects our dedication to celebrating and enhancing Wellington's Capital City status.
<p>Accessible Wellington</p>	<p>The Cable Car is fully aligned with the Council's commitment to improving accessibility to its activities and services. Our approach to aligning with these outcomes is two-fold:</p> <ul style="list-style-type: none"> ● Improving Accessibility: <ul style="list-style-type: none"> ○ We are continually looking at how we can enhance accessibility within our products, services, and facilities, ensuring they are inclusive and easily accessible to all members of the community. In FY24 this included an internal audit and the development of an accessibility page on our website covering information for people with visual, mobility and auditory accessibility issues. ○ As part of a pricing strategy, we will investigate pricing options for concession, community services card holders and free travel for companion carers. ○ Plans to re-build Salamanca Station (which no longer meets the requirements of accessibility) will continue to be developed in FY25. ○ The Cable Car continues to seek opportunities to collaborate with the Council and other stakeholders to identify and implement improvements in accessibility where possible.

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	<ul style="list-style-type: none"> ● Rainbow Inclusivity Initiatives: <ul style="list-style-type: none"> ○ We wholeheartedly support the Council's call for Rainbow inclusivity initiatives in businesses. The Cable Car employs a diverse and inclusive rainbow team, valuing and respecting individuals of all backgrounds and identities. ○ The Cable Car is known as a popular venue for Rainbow Weddings and has hosted several in the past few years. ○ We acknowledge the importance of the Rainbow Advisory Group and are open to collaborating with them to gain insights, support, and guidance on opportunities to strengthen our focus on Rainbow inclusivity.

Strategic relationship with Council

The Cable Car appreciates the opportunity to articulate our vision for a strategic relationship with the Council in the drafting of the Statement of Intent. Our commitment is to foster a collaborative and mutually beneficial partnership through:


- Open and regular communication
- Shared objectives
- Mutual accountability
- Flexibility and adaptability
- Continuous improvement


WCCL has a strong relationship with Council through regular interaction with the CCOs and Economic Wellbeing team and other key Council stakeholders. Through this relationship the Cable Car will always operate a 'no surprises' approach to ensure and allow for early collaboration on key projects, issues, and long-term planning, and we will continue to connect and align our work with Council strategies.


The Cable Car offers Council and the Wellington region an iconic Te Whanganui-a-Tara attraction:


- A community asset for Wellington of which we are all proud
- A reliable source of transport for residents and Victoria University (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 Wellington's history, identity, and community

Specific expectations for WCCL

<p>Absolutely Positively Wellington City Council Me Heke Ki Pōneke</p>	
<p>Council expects the company to outline its continued plans and priorities for improving the seismic resilience of its network.</p>	<ul style="list-style-type: none"> • WCCL prioritised its FY24 work programme to deliver the most essential works within available funding. This included strengthening work in the Lambton Terminal and both preliminary and detailed assessments of the resilience of our three bridges. • The results of the detailed bridge assessments will give us a better understanding of the risks and opportunities, and how to manage/reduce these. Our ideal position is to have a table of risks for each bridge element, like we do for our tunnels, and we can then clearly identify the highest risk element to strengthen, when that strengthening needs to occur, and therefore when funds might be required from the 2024-2034 LTP. • We are currently seeking \$6.7m from the 2024-2034 LTP budget to complete the bridge strengthening work and are grateful to Council for this being included in the current draft plan. • Further detail can be found in the asset management section of this SOI on page 21.
<p>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 continue to 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.</p>	<ul style="list-style-type: none"> • The Cable Car actively looks for opportunities to partner with local creatives. In the past 12 months, WCCL has hosted student projects, and provided Cable Car facilities to showcase city events and National Day celebrations. • As noted previously, WCCL will continue to work with stakeholders and look for opportunities to support and showcase cultural activities for the benefit of its passengers, while contributing to the ongoing vibrancy of the city.
<p>The Council expects the company to continue to work together with Council and other stakeholders to improve the Kelburn terminus precinct vibrancy and appeal to locals and visitors now and</p>	<ul style="list-style-type: none"> • The Cable Car serves as a vital connection for both residents and tourists traveling between Lambton Quay in the CBD and the Kelburn-Paekākā precinct in Wellington. • WCCL continues to take the lead in organising monthly discussions with businesses in the precinct. This includes

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<p>into the future.</p> <p>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.</p>	<p>various CCOs and WCC business units, aiming to strengthen collaborations. The primary objective is to boost passenger numbers and enhance the experience for both locals and visitors.</p>
<p>Council expects the company to take the lead in creating an options paper for longer term plans for the Kelburn terminus precinct that will create an integrated experience that leads to more frequent visitation.</p> <p>The paper should include thoughts on funding from private sector and central government.</p>	<p>Taking a considered and systematic approach, we look forward to the journey of crafting an options paper for the Kelburn terminus precinct.</p> <p>We will follow a structured ‘gate-path’ process involving:</p> <ul style="list-style-type: none"> • Stage 1: Defining objectives The overarching objectives of the paper are to outline a range of medium to longer-term scenarios/options for the Kelburn Terminus precinct that showcase the opportunity to build on existing assets to create an enhanced and integrated visitor experience which could (through improved experiences), lead to more frequent and longer visitation by both visitors and locals, bringing commercial benefit for operators and economic benefit to the City. • Stage 2: Development of options paper The paper will be developed in two phases. <p><u>Phase 1:</u> Audience research to understand the desires and preferences of the target audience; development of potential product offerings; and an evaluation of the parameters for potential investment in the precinct plan options. Research related expenses will be covered by WCCL.</p> <p><u>Phase 2:</u> Following on from the findings of Phase 1, 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.</p> <p>In determining these factors, as appropriate, cost analyses</p>

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	<p>will be carried out with preliminary workings to consider potential funding models needed to ascertain the appetite parameters for any investment in the precinct plan options. Dependent upon the options to be considered it is expected that this work is likely to include preliminary work on the commercial opportunities associated with changes that considered options may propose.</p>
<p>The company should engage proactively with any major Council led Golden Mile projects to ensure that the interests of the Cable Car are well understood, including any plans for development on Lambton Quay and the need for improved way finding to the Cable Car.</p>	<ul style="list-style-type: none"> • Ensuring the Cable Car's interests are well understood in any development plans for Lambton Quay and improvements to wayfinding is indeed crucial. We fully acknowledge the significance of these projects and their potential impact on the Cable Car's operations and accessibility. • By actively participating in discussions and providing insights into the unique considerations of the Cable Car, we aim to contribute constructively to the development process.
<p>Council expects the company to explore the opportunity of introducing differential pricing.</p>	<ul style="list-style-type: none"> • The Cable Car provides differential pricing with tailored rates for various segments eg: casual 'general admission' fares for tourists, local pricing for commuters and student rates. This demonstrates our commitment to accommodating different customer needs and preferences. • Moving forward, our primary focus will be on developing a local's pricing strategy, exploring options for concession rates, and formalising an approach for regular price adjustments within each of our audience segments. • Our costs rise annually, and failing to adjust prices would result in a decline in profit. To address this, we propose an annual discipline of reviewing each category within the differential pricing model, with the review date set for 1 July. This evaluation will also consider how we align with other local services. This approach will allow us to stage and manage adjustments effectively, preventing sudden and significant changes. • We firmly believe in the importance of a transparent process for pricing adjustments. Therefore, any changes will be carefully considered, and we will communicate the

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	<p>reasons behind them clearly.</p> <ul style="list-style-type: none"> • In conclusion, our approach to the proposed differential pricing strategy will ensure that our pricing model remains fair and reflective of the value we provide. • Our overarching aim will always be to keep pricing for locals affordable, whilst also enhancing the overall experience and proving value for money to our visitors.
<p>Council expects the company to work with Experience Wellington to consider the opportunity of introducing a combined Cable Car and Cable Car Museum (and / or Space Place) ticket, based on the option of introducing a small charge for entry to the Cable Car Museum.</p>	<ul style="list-style-type: none"> • WCCL will work with Experience Wellington to investigate and analyse the pros and cons of an entry fee for the Cable Car Museum. • We will also look at our current Red Rocket promotion (a combo ticket for Cable Car and Space Place) and see how this might be extended across the year.

HOW WE OPERATE

The Cable Car is proud of our operational framework and the service we deliver.

People and Culture

At the core of our business are our employees, whom we prioritise wholeheartedly. Our focus revolves around fostering a nurturing and encouraging atmosphere that empowers our staff to flourish in their personal and professional journeys.

After three years of Covid-19 uncertainty, a key priority in the last 12 months has been the wellbeing of staff. Initiatives in this space included the introduction of new shifts and rosters aimed at promoting a more predictable pattern of work, regular fatigue surveys and a new fatigue policy.

At the Cable Car, our aim is to cultivate a workplace that is secure, embraces diversity, and champions inclusivity, enabling each team member to authentically be themselves. WCCL provides opportunities and the necessary resources to facilitate the growth and advancement of our employees within an environment that values respect and appreciation.

Asset Management

The Cable Car owns and maintains a range of assets, with a broad range of complexity, age, and condition. Regular maintenance is completed in-house, where we have the expertise, however we also rely on external technical specialists such as Doppelmayr NZ, ACME Engineering and WSP Engineering.

In terms of seismic resilience, we have three groups of assets:

- **Tunnels:** Construction of our three tunnels began in 1899 and was completed in 1902, when the Cable Car began operation. The strength and condition of our tunnels and adjacent retaining walls has been extensively investigated and is well understood. We have a prioritised list of seismic strengthening projects for our tunnels based on the strength and risk. The highest priority elements (the middle tunnel upper portal, parapet, and adjacent north wall) were strengthened in FY23. Further tunnel strengthening projects will be prioritised appropriately when we understand more about the strength of our bridges.
- **Bridges:** The three original wooden viaducts were replaced with steel and concrete bridges in 1930. These have been well maintained with minor improvements over time. The central pier of Rawhiti bridge was strengthening in 2011 and steel supports for the Salamanca station were added to the bridge in 2013. In FY23 we commissioned a preliminary seismic assessment of the bridges. In FY24 we undertook a detailed seismic assessment to enable us to prioritise strengthening of the bridges alongside seismic improvements to the Cable Car tunnels.

Initial estimates to complete the bridge work are \$6.7m which has been requested in the 2024-2034 LTP budget bid. Results from the detailed assessment (due March 2024) will provide the detailed cost breakdowns and likely timings for the required draw-down of those funds.

- **Terminals:** In August 2023 we completed strengthening of the Lambton Terminal for the elements within our control. The seismic performance of the Lambton Terminal will always be influenced by the surrounding buildings and structures. We have not yet completed a seismic assessment of the Kelburn Terminal, however as it was constructed in 2013 it is a lower priority (in terms of seismic assessment) than our other structures.

Our steel-framed Cars date back to 1979, are well maintained, and in very good condition for their age. The electric motor, drive and control systems were replaced in 2016 and all replaced components and systems were compliant with 2016 European Standards. The equipment and systems are regularly maintained to the manufacturer's recommendations. Car replacement would most likely happen when we next upgrade the electric drive and control system in 20 years. In the interim our focus will be on steadily improving the seismic resilience of our structural assets.

Health, Safety and Wellbeing

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 the Cable Car.

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.***

We undertake an annual SafePlus self-assessment to monitor our progress with health and safety. SafePlus is a health and safety improvement toolkit for businesses, developed jointly by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE).

The Cable Car's Health and Safety committee meets monthly to ensure risk identification, mitigation and controls are appropriate. At a governance level, health and safety reporting is a standing item at all Board meetings, ensuring that Directors remain across current statistics and any developments arising.

Risk Management

WCCL employs a comprehensive and systematic approach to manage risks effectively, ensuring the resilience and adaptability of our operations. The process involves key steps to identify, assess, and mitigate potential threats, creating a robust framework for risk management. Risks are regularly reviewed at monthly Health and Safety meetings and following any incident or accident.

As with all our health and safety responsibilities, the Board and WCCL officers acknowledge and understand their accountability. We have systems in place to ensure that WCCL meets the required monitoring, reviewing, and reporting of health and safety objectives and risk management.

Waka Kotahi – Rail Safety Case

The Cable Car operates under a Rail Licence issued by Waka Kotahi under the Railways Act 2005. Rail Licence holders are required to have a Rail Safety Case and a Safety Management System. Rail Licence holders are required to participate in regular Rail Safety Assessments to assess safety performance. WCCL continues to maintain its Rail Safety Case.

WCCL also continues to monitor other relevant legislation that may be applicable to the operation of a funicular eg: Passenger Ropeways Regulations. We contacted WorkSafe (the regulator) in July 2023 to clarify if the definition of a Passenger Ropeway in these regulations may also include funicular railways. Worksafe have acknowledged receipt of our letter, and we will continue to both follow-up with them, and engage with any other parties who regulate relevant acts.

PERFORMANCE MEASURES

WCCL monitors performance across six categories: Environmental; Health and Safety; Service Delivery; Reliability/timeliness; Passenger numbers; and Revenue.

Environmental

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
Zero Carbon Accreditation	Carbon accounting and offsetting with an accredited organisation	Maintain Carbon Zero*	Maintain Carbon Zero	Maintain Carbon Zero
Waste diversion	Total waste diverted from landfill**	15%	20%	25%

*The Cable Car will use FY25 to understand the steps required to become Carbon Positive

**An amended measure from the FY24-26 SOI, we will use FY24 to better understand our volumes now we are operating at pre-covid levels and investigate initiatives to reduce and recycle waste.

Health and Safety

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
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
	H&S audit completed, and recommendations implemented	Maintain	Maintain	Maintain

Service Delivery

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
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

Reliability / Timeliness

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
Cable Car Reliability	Percentage Reliability	> 99.0%	> 99.0%	> 99.0%

Passenger Numbers

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
Customer Trips	Tickets sold	980k*	1,009k	1,039k

**Reflects current FY24/25 Cruise Schedule*

Revenue

KPI	HOW IT'S MEASURED	FY25	FY26	FY27
Revenue	Fare Revenue	\$3,609k	\$3,903k	\$4,141k

FINANCIAL INFORMATION

Wellington Cable Car Limited

Statement of Comprehensive Income

For the years ending 30 June 2025, 2026 and 2027

	2024 Forecast \$000	2025 Quarter 1 \$000	2025 Quarter 2 \$000	2025 Quarter 3 \$000	2025 Quarter 4 \$000	2025 Total \$000	2026 Budget \$000	2027 Budget \$000
Revenue								
Fare revenue	3,795	643	1,109	1,392	754	3,898	4,216	4,471
Ancillary revenue	333	69	73	71	69	281	227	227
Total revenue	4,128	711	1,182	1,463	823	4,179	4,443	4,698
Expenses								
Operational costs	1,083	251	299	320	264	1,135	1,194	1,256
Infrastructure costs	829	269	201	201	174	845	887	931
Professional costs	429	121	118	113	105	457	435	453
Support staff costs	576	148	149	149	148	595	624	704
Total expenses	2,917	789	768	784	691	3,031	3,139	3,345
Net profit (loss) before depreciation and grants	1,210	(78)	415	679	132	1,148	1,304	1,353
Depreciation	(331)	(82)	(82)	(82)	(82)	(329)	(340)	(333)
Grants	289	-	60	-	-	60	425	-
Net profit (loss) after depreciation and grants	1,169	(160)	393	597	50	879	1,389	1,020

Wellington Cable Car Limited
Statement of Financial Position
For the years ending 30 June 2025, 2026 and 2027

	2024	2025	2026	2027
	Forecast	Budget	Budget	Budget
	\$000	\$000	\$000	\$000
Assets				
Bank and term deposits	6,189	6,640	6,768	6,815
Accounts receivable	115	121	127	133
Inventory	22	23	23	23
Property, plant and equipment	8,390	8,369	8,929	9,596
Total assets	14,716	15,153	15,847	16,567
Liabilities				
Accounts payable and accruals	300	315	331	347
Employee benefit liabilities	130	154	162	170
Taxation payable	216	64	84	90
LTP funding grant	486	426	-	-
Deferred tax	1,177	1,153	1,230	1,185
Total expenses	2,309	2,112	1,806	1,792
Net assets	12,407	13,040	14,041	14,775
Equity				
Retained earnings	4,973	5,606	6,606	7,340
Ordinary shares	7,435	7,435	7,435	7,435
Total equity	12,407	13,040	14,040	14,775

Wellington Cable Car Limited

Statement of Cash Flows

For the years ending 30 June 2025, 2026 and 2027

	2024 Forecast \$000	2025 Budget \$000	2026 Budget \$000	2027 Budget \$000
Operating activities				
Receipts from grants	588	0	0	0
Receipts from customers	3,764	3,892	4,210	4,465
Payments to suppliers and employees	(2,903)	(2,993)	(3,117)	(3,319)
Receipts from other operating activities	77	11	11	11
Refund/(Payment) of tax	(67)	(422)	(292)	(324)
Net cash flows from operating activities	1,460	489	811	832
Investing activities				
Payment for property, plant and equipment	(342)	(308)	(900)	(1,000)
Receipts from investments	256	270	216	216
Net cash flows from investing activities	(86)	(37)	(684)	(784)
Net cash flows	1,373	451	127	48
Cash and cash equivalents				
Opening balance	4,816	6,189	6,640	6,768
Net change in cash for period	1,373	451	127	48
Closing balance	6,189	6,640	6,768	6,816



KELBURN · LAMBTON QUAY

· WELLINGTON ·
CABLE CAR
NEW ZEALAND

LAMBTON QUAY · KELBURN