

WHAT WE DO

Taieri Gorge Railway Limited operates tourist trains on the Taieri Gorge Railway and Dunedin-Palmerston lines, and provides other train services principally for charters and excursions. Year-after year the train trip through the Taieri Gorge remains a key attraction for visiting cruise ship passengers.



- > Taieri Gorge Railway above Three O'Clock Stream, an attractive tributary of the Taieri River.
- >> Snow provides a novel attraction in the Taieri River Gorge, causing a spike in passenger numbers.

FINANCIAL HIGHLIGHTS

	2011	2010
	\$'000	\$'000
Revenue	5,306	5,057
Net surplus for the year	3	3
Shareholder's funds	1,704	1,701
Total assets	3,293	2,908

WHAT WE DID THIS YEAR

The tourism market has been mixed with significant signs of weakness in some places and considerable strength in others. The traditional northern hemisphere markets have declined heavily as changes in currency, news of earthquakes and volcanic activity affected the perception of the value of a holiday in New Zealand in comparison with the alternatives available. Also, many Australian visitors were put off coming to the South Island by the earthquake activity in Christchurch. On the other hand traffic from China has increased. The character of the typical visitor and the requirements of that visitor are definitely changing and the trend is expected to continue.

The market sector that continues to go from strength to strength is the cruise sector as more ships visit Dunedin every year. Fortunately the outlook for this sector is also strong.

Reflecting the changes that have been happening in the marketplace the numbers of passengers carried on the daily scheduled trains decreased 4.3% to 58,097 from 60,718. However cruise ship passengers were up 12.8% from 11,265 to 12,704, and the total number of customers carried across all market sectors was 77,511, a reduction on last year's overall total figure of 79,931.

Improving the quality of the customer experience is an ongoing task. Carriage upgrades have again been one of the main tasks undertaken at our workshop. Several former KiwiRail carriages have been in place over the last season and a further two will be available for the next season. These carriages improve both the financial yield from a train and the safety of the passengers carried.

The after-tax surplus of \$3,000 is coincidentally the same as last year. This was achieved after operational expenditure of \$1.4m on workshop, carriages, locomotives and track. In addition, a further capital expenditure of \$0.5m was invested in the commissioning of the new carriages.

Taieri Gorge Railway remains highly attractive to visiting cruise ships who are come to Dunedin because of the variety and quality of the shore excursions available. The company looks forward to receiving visitors over the period of the Rugby World Cup 2011 and is very pleased to alter its schedules to offer more choices to these visitors.

For more information visit www.taieri.co.nz

THE PEOPLE

Directors	J E Farry (Chairman)
	J M Chapman
	F J McCall
	Hon. S Rodger
	G M T Williams
	K Wilson
Chief Executive	M J Bond

