

Report to the Wellington City Council CCO Performance Committee Second quarter ended 31 December 2010

KEY HIGHLIGHTS

- ZEALANDIA won the international prestigious Virgin Holidays Responsible Tourism Award for “best conservation of wildlife and habitats.” Tourism New Zealand received the award on our behalf at the World Travel Market in London.
- Breeding season continued.
- ZEALANDIA celebrated the first successful fledging of a wild red-crowned parakeet (kakariki) chick in the city in at least 100 years.
- ZEALANDIA rolled out its local marketing campaign in October with an open weekend to re-engage Wellingtonians. Over 7,200 locals visited. Other promotions such as “local half price when bring in out of towners” and a calendar of summer events have been implemented for the summer period.

VISITORS/MEMBERSHIPS

- Visitors for the quarter at \$28,885 were ahead of last year \$14,930 by 93% but below budget by around 8,000.
- The economic environment has affected our results with strong competition from many “sales” for the Christmas period.
- Membership as at the end of December was 11,523 individuals compared to 11,321 last quarter or 5,365 units compared to 5,481 last quarter and end of year target of 5,800.

MEDIA/VIPs

- ZEALANDIA hosted a number of international and domestic media/agents during the quarter including:
 - Feinschmecker Magazine (German lifestyle magazine)
 - Irish Filmmaker for a documentary on Travelling NZ by bike
 - Australia travel agents re WOW
 - UK Camping and caravan club

- Southern World Vacations (German)
- Sunday Star Times Travel Writer
- ZEALANDIA has a number of media coverage during the quarter including
 - Morepork chick coverage in DomPost
 - Geckos coverage in Independent Herald
 - DomPost Weekend Magazine feature
 - Open weekend coverage in Dompost
 - Audubon Magazine - US most widely-read birding magazine
 - Cameo role in NZ's Next Top Model
 - Falcon catching and banding in DomPost
- The number of visits to our website now reaches over 10,000 a month. We now have 1000 Facebook fans and over 450 Twitter followers.

MARKETING & TOURISM ACTIVITIES

Key marketing activities included:

A brochure profiling the Exhibition has been developed to attract museum/exhibition lovers who are not necessarily interested in going for a walk in the sanctuary valley. This brochure will feature in the arts and culture section at the i-site aiming to cement the Exhibition as a product in its own right.

Local

- The focus has been in the rolling out of the local marketing campaign.
- To launch this strategy, an open weekend was held in October. The main objective was to invite locals in, raise awareness and promote goodwill and advocacy leading up to the summer season when people are more likely to join as members and/or have visiting friends and families. The result exceeded all our expectations with over 7,200 people even when one of these days was raining.
- An event calendar to appeal across all our local targets markets - Being There, Immersing and Embracing Life, was developed and distributed. The calendar will show there's always something happening at ZEALANDIA, provide reasons to visit now creating call to action. It also includes a number of twilight and music evenings.
- A promotion to encourage locals to bring in their out of town visitors and friends will also run from December to March.

Domestic

- A programme of famil has begun for bed and breakfast throughout the Wellington Region before the summer season.
- The Business Development Manager conducted i-Site road trip visiting the Paraparaumu, Levin, Otaki, Wanganui, Turangi, Taupo, Rotorua, Napier and Hastings i-Sites.
- Arrangements have also been made to trial hotels selling our tickets.

International

- Cruise ship season began in October. We have secured 33 out of 58 ships. There are much more Australian passengers this year compared to previous years as the UK and North American markets (our target market) were affected by the recession. We are trialing free transport from cable car as a tactic to target the FIT passengers.
- Surveys of domestic and international visitors have also been undertaken at various locations in the city to assess the barriers of visit to ZEALANDIA. The major reason is lack of time. This reinforces the result of the transport trial in that transport from cable car to ZEALANDIA is important to reduce the time barrier.

CAFÉ/CONFERENCE/FUNCTION

- Food and beverages for the quarter exceeded budget. Christmas function packages were a great success. The café is increasingly an integral part of the overall visitor experience allowing us to do products packaging.
- For the first time ZEALANDIA has a stall at a wedding show. It has generated a lot of interest with already one confirmed booking on the day. We will attend the next wedding expo in May.

EDUCATION

A range of programme were organised for the school holiday period including guided tours and a series of activities such as harakeke weaving, building of weta hotels etc.

Despite some blustery weather numbers were ahead of budget and feedback from teachers was extremely positive. November saw the busiest month with 28 individual schools from Kaukapakapa in the North to Kaikoura in the South were hosted.

FLORA & FAUNA

Bellbirds



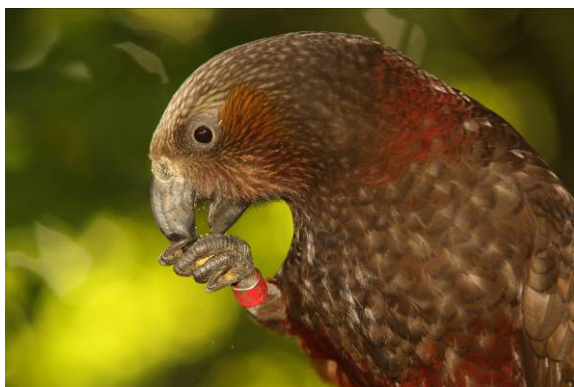
47 bellbirds have fledged to-date and re-nesting continues. This is a better season than last year. Planning is underway to attach transmitters to two families (parents plus all offspring from their last clutch) in late February/early March to continue to investigate reasons for poor juvenile survival u autumn/winter - we hope to compare adult dispersal with their offspring,

Hihi



28 active nests have been found to-date, and **55** chicks have been banded. We expect we might fledge close to 80 chicks this year compared with 43 last year. After a breeding female died at Wellington Zoo from complications following injury to her eye, we took the unusual step of fostering one of her four 25 day old chicks to a second nest with 2 similarly aged nestlings, reducing the workload for the solo father who was left to raise 3 nestlings on his own – all fledged successfully. To our knowledge this is the first time this has been attempted with hihi.

Kaka



64 Kaka chicks from 15 nests have been banded to date, and there are still 5 more active nests known (two of these a second clutch), with **at least another 15 chicks** to be banded. In addition, at least 3 chicks have fledged from a natural nest and it is likely that there will be more. This is our **best** breeding season ever.

Parakeets



The first breeding season for the parakeets. We have confirmed that there are at least 3 breeding parakeet pairs, probably 5, in the valley although only one nest has been found despite lots of effort. **Three** chicks fledged from this nest in early December, and the female re-nested in the same site shortly after. We suspect that the other females have also re-nested because they too are no longer being seen at the feeder, having appeared at the feeder after a 2 month absence that seems to correspond to incubation of eggs and care of nestling chicks.

Little spotted kiwi



Two research projects on kiwi continue - Acoustic survey of kiwi and Genetics of little spotted kiwi which is part of a wider FRST funded investigation into little spotted kiwi reproductive behaviour and success across several populations.

Takahe



Work completed on the Takahe quarantine holding pen, fences and planting in preparation for the January arrival of two Takahe.

Tuatara



A number of juvenile tuatara has been regularly seen.

Giant Weta



Three locally-bred adults have been found in January in the wooden boxes built to help with monitoring, confirming that the vulnerable juveniles are surviving to adulthood. An adult female transferred from Matiu-Somes Island in March was also found in a wooden box in late December, suggesting that these animals might live longer than 2 years under good conditions.

BIOSECURITY

Introduced fish Eradication

Planning continues by Department of Conservation (DOC) to remove brown trout from the upper Karori reservoir and the streams flowing into it this summer.

Weed management

The weed team have started their five month contract at the beginning of November focusing on the removal of priority species.

RESEARCH

Research being undertaken in the valley currently includes:

Institution	Qual	Dates:	Topic/actions
Landcare		ongoing	Epiphytic planting trials for Northern rata - attached to Hinau, rewarewa & pine in several locations
VUW	-	31/10/06-31/10/46	Effect of climate change on herbivory
Waikato Univ & Cawthron		ongoing	Effects of perch on cyanobacteria in the Lower lake
DOC		ongoing	Can exotic fish be eradicated successfully? Trials with rotenone planned summer 2011
VUW	PhD, FORST	July 2010- July 2013	Genetics of Little spotted kiwi
VUW	PhD	4/3/09-1/3/2012	Year to year differences in numerical and spatial cognitive abilities in robins
VUW	PhD	9/3/09-9/3/2011	Spatial and temporal aspects of song variation in the forest bird community
VUW	PhD	18/5/09-18/5/2012	Acoustic survey of kiwi
VUW	MSc	26/4/10-25/2/11	Subtraction by robins
VUW	MSc	May-Dec10	Spatial memory in robins
Otago Univ	MSc	Sept 2010-March 2012	Assessing the impact of rotenone on native fish and stream invertebrates

MEASUREMENT AGAINST TARGETS IN SOI

High level outcome measures

Measure	Frequency of measure	Annual Target 2010/11	Dec Quarter Target	Dec Quarter Actual
Visitation numbers	Quarterly	144,201	37,054	28,885
Members units	Quarterly	5,800	N/A	5,365
*No of school student visits	Quarterly	6,000	2,000	2,238
Total native plant species in the Sanctuary	Annually	172	annual	annual
Total number of species to be planted	Annually	30	annual	annual
Total adventives plant species in the Sanctuary	Annually	212	annual	annual
Number of exotic plant species targeted for control/monitoring	Annually	44	annual	annual
Total native fauna species in the Sanctuary	Annually	43	annual	annual
Number of native fauna species released	Annually	4	annual	annual

* Student numbers included in total visitation numbers above

Cost effectiveness measures

Measure	Frequency of measure	Annual Target 2010/11	Dec Quarter Target	Dec Quarter Actual
**Average subsidy per visit.	Quarterly	\$4.85	\$4.72	\$6.05
Average revenue per visitation (excludes Council, & Government grants).	Quarterly	\$25.23	\$24.78	\$24.95

** Annual subsidy apportioned to show 3months this qtr

Organisational health and capability measures

Measure	Frequency of measure	Target 2010/11	Dec Quarter
Visitors satisfaction factor good to excellent	Quarterly	8.7	9.5
Volunteer numbers	Quarterly	>400	425
% of School visits rate their overall satisfaction as being good to excellent	Half yearly	>98%	100%
Performance appraisals completed	Annually	N/A	N/A
Qualmark accredited	Two yearly	Achieved	Achieved

ZEALANDIA has moved to an e-based survey system whereby people opt in to receive a survey which is emailed to them after their visit. Overall satisfaction levels are measured on a scale of 1 to 10, as opposed to the previous 5-point scale, allowing more flexibility and accuracy in the results. This change, along with the responses from a wider range of visitors, has meant a re-assessment of acceptable levels of satisfaction has been considered, and indicators are paper-based surveying over-states satisfaction by 7-10%. As such, the KPI has been adjusted from 95% under the old survey methodology to 8.7 to reflect the equivalent result under the new survey methodology, and this level will be monitored by ourselves and our survey providers, get-smart Ltd.

FINANCIALS

- For the quarter, operating deficit of \$0.355m was better than the budgeted operating deficit of \$0.436m. After the inclusion of the last instalment of government funding for the visitor centre, the variance was unfavourable. This is because the last instalment of government funding was actually received in the 2009/10 financial year. Year to-date deficit at \$95k was better than budget deficit of \$135k.
- Total operating revenue at \$0.721m was below budget of \$0.918m. This was primarily due to the lower visitor numbers, the free open day promotions to the locals, and lower membership revenue. These unfavourable variances were partly offset by better than budgeted performance in food and packages and donations. Membership revenue was lower because the budget assumed increased membership numbers on day one and that all membership were renewed at the new rate at the beginning of the year, but in reality members renewed when they next visit the sanctuary. The economic environment has also affected our performance in particular the domestic and international markets where a longer lead time is required to build up the awareness. Local visitors continue to perform reasonably well.
- Total operating expenditure at \$1.076m was below budget of \$1.354m. The better than budget operating results for the quarter were primarily due to timing of expenditure, lower marketing expenditure with the use of the open day as a marketing tool, and tight cost control in view of the lower visitor numbers.
- The bank balance as at 31 December stood at \$2.4m as compared to the budget of \$385k. This balance is higher than expected because:
 - higher than expected cash balance as at 30 June 2010 as a result of better than budget performance; deferrals or delay in asset purchase; deferral of local marketing campaign into this financial year; timing of expenditure; last instalment of government funding received earlier than budgeted (the latter has now been recognised in the quarter budget)
 - Council grant of \$700k for 2010/11 was included in the first quarter

The cash balance will reduce as marketing campaign commences and assets purchased. The cash balance will also mitigate any shortfall in revenue during the transitional years as visitor numbers are being built up

- No adjustments have been made to opening balances for holiday pay accrued and membership in advance as these are considered immaterial.

**Karori Sanctuary Trust
Statement of Financial Performance
For the quarter ended 31 December 2010**

	December Quarter Actual \$	December Quarter Budget \$	YTD Actual \$	YTD Budget \$	Annual Budget \$
Operating Revenue					
Trading Income	570,472	865,212	987,269	1,272,787	3,364,745
Other Operational Funding	129,615	53,000	238,941	116,000	273,000
WCC Operations Grant	0	0	700,000	700,000	700,000
Interest Received	20,766	0	44,279	0	0
Total Operating Revenue	720,853	918,212	1,970,489	2,088,787	4,337,745
Less Operating Expenditure					
Employee costs	451,174	572,252	913,233	1,009,955	2,180,787
General Expenses	379,672	529,900	663,350	914,473	1,850,521
Depreciation	229,490	229,205	456,823	458,072	922,276
Interest	15,740	22,575	31,889	37,845	83,000
Total Operating Expenses	1,076,076	1,353,932	2,065,295	2,420,345	5,036,584
Surplus/(deficit) after Interest	(355,223)	(435,720)	(94,806)	(331,558)	(698,839)
Add Visitor & Education Centre Funding	0	196,596	0	196,596	196,596
<u>Surplus/(Deficit)</u>	(355,223)	(239,124)	(94,806)	(134,962)	(502,243)

Karori Sanctuary Trust
Statement of Financial Position
As at 31 December 2010

	Actual 31/12/10	Budget 31/12/10	Budget 30/06/11
	\$	\$	\$
EQUITY			
Accumulated Funds	9,737,810	8,614,798	8,247,517
CURRENT ASSETS			
Cash and Bank	2,449,087	385,294	224,053
Accounts Receivable	126,623	15,000	40,058
Stock on Hand	84,155	95,000	90,325
TOTAL CURRENT ASSETS	2,659,865	495,294	354,436
NON CURRENT ASSETS			
Fixed Assets	19,026,989	19,919,584	19,670,380
TOTAL NON CURRENT ASSETS	19,026,989	19,919,584	19,670,380
TOTAL ASSETS	21,686,854	20,414,878	20,024,816
CURRENT LIABILITIES			
Unearned Income	149,513	140,000	179,084
Holiday Pay Accrued	105,076	120,000	154,618
Creditors	197,455	200,000	153,519
GST to pay	191,978	1,745	1,745
Grants Received in Advance	0	0	0
CTW	108,333	108,333	108,333
TOTAL CURRENT LIABILITIES	752,355	570,078	597,299
TERM LIABILITIES			
Limited recourse WCC Loan	10,346,689	10,380,000	10,380,000
Community Trust Loan	850,000	850,002	800,000
TOTAL TERM LIABILITIES	11,196,689	11,230,002	11,180,000
TOTAL LIABILITIES	11,949,044	11,800,080	11,777,299
NET ASSETS	9,737,810	8,614,798	8,247,517

**Karori Sanctuary
Statement of Cashflow at 31 December 2010**

	December Qtr Actual	December Qtr Budget	YTD Actual	YTD Budget	Annual Budget
	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Trading income /grants etc	687,581	1,114,808	1,916,159	2,285,383	4,530,757
Interest received	20,766	0	44,278	0	0
Net GST received	12,506	0	196,399	0	0
Cash was applied to:					
Payments to suppliers and employees	(809,876)	(1,044,088)	(1,601,219)	(2,090,360)	(4,186,818)
Interest costs	(15,740)	(22,575)	(31,889)	(37,845)	(83,000)
Net GST Paid	(19,741)	0	(23,500)	0	0
NET CASH FLOW FROM OPERATING ACTIVITIES	(124,504)	48,145	500,229	157,178	260,939
CASH FLOW FROM INVESTING ACTIVITIES					
Cash was applied to:					
Purchase of assets	(6519)	(25,000)	(39,269)	(35,000)	(250,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	(6,519)	(25,000)	(39,269)	(35,000)	(250,000)
CASH FLOW FROM FINANCING ACTIVITIES					
Cash was raised for:					
WCC loan	0	0	0	0	0
Cash was applied to:					
Repayment of loan	(25,000)	(24,999)	(50,000)	(49,998)	(100,000)
NET CASH FLOW FROM FINANCING ACTIVITIES	(25,000)	(24,999)	(50,000)	(49,998)	(100,000)
<u>Net Increase/(Decrease) In Cash</u>	(156,023)	(1,854)	410,960	72,180	(89,061)
Opening cash	2,605,110	387,148	2,038,127	313,114	313,114
Closing cash	2,449,087	385,294	2,449,087	385,294	224,053
CASH AND CASH EQUIVALENTS COMPRISE					
Cash and bank balances	2,449,087	385,294	2,449,087	385,294	224,053