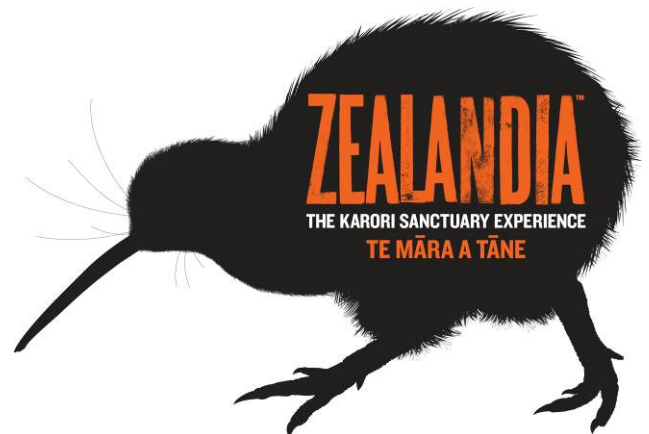




# ANNUAL REPORT 2011



# VISION AND STRATEGIC OBJECTIVES

## COMMUNITY INVOLVEMENT

We will have:

- local iwi reviving their natural tikanga through participation in and use of ZEALANDIA
- local people treasuring ZEALANDIA and being an integral part of Karori Sanctuary Trust's operation
- conservation and other community groups supporting and being fully involved in the Karori Sanctuary Trust
- funders and businesses continuing to support the Karori Sanctuary Trust.

## CONSERVATION AND RESEARCH

We will have:

- fauna, flora and habitats representative of a Wellington ecological district coastal lowland and freshwater ecosystem restored in the enclosed area
- the indigenous character of the valley restored to the enclosed area
- key natural processes functioning in the enclosed area
- species dispersal and gene flow occurring in the wider city ecosystem
- knowledge and methodologies gained for application to conservation elsewhere
- made a contribution to national species recovery programmes.

## VISION

A world-class conservation site portraying our natural heritage that captures people's imagination, understanding and commitment.

## EDUCATION

We will have:

- every school child in the wider region visiting ZEALANDIA and understanding and appreciating their natural heritage
- visitors to ZEALANDIA understanding and appreciating the uniqueness of New Zealand's ecology
- tertiary students conducting high quality study of the ecology in ZEALANDIA.

## RECREATION/TOURISM

We will have:

- ZEALANDIA accessible and appealing to all visitor types
- an internationally recognised tourism destination.

## CORPORATE MANAGEMENT

We will have:

- a model for conservation management and sustainable development worldwide
- a self-funding enterprise returning a surplus for the advancement of other conservation projects
- a highly skilled workforce working as a team toward a common goal.

# CHAIR'S FOREWORD

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It was a year unlike any year experienced by the tourism sector, with many operators reporting a significant drop in visitor numbers. In this difficult environment, the Trust achieved a 44% increase in visitors in 2010/11 compared to last year. However, we were well below our target. Within the mix of visitors, local visitor numbers exceeded target, but we fell short on the number of domestic and international visitors. This reflects the optimism of those original business case projections coupled with the worse than expected economic environment, a situation severely exacerbated by the global financial crisis and by two major earthquake events in Christchurch.

ZEALANDIA's Visitor and Education Centre has been a welcoming facility and attraction since its opening, complementing the sanctuary valley experience. Delivering a world-class visitor experience requires engaging visitors with our unique cultural, environmental and social values through high quality interpretation. ZEALANDIA achieves this by focusing on the unique story of New Zealand flora and fauna. The Trust has received excellent feedback on our enhanced visitor experience since opening the new centre in April 2010, with a satisfaction rating on a scale of 1 to 10 averaging 9.1.

ZEALANDIA is already one of New Zealand's top attractions in the minds of international travellers and our reputation grew further during the year, when we were awarded the Virgin Holidays Responsible Tourism: Best for Conservation of Wildlife and Habitats. ZEALANDIA is a valued commissionable product and is expected to do very well as product and brand awareness grows further and consolidates over time. Nevertheless, with the continuing difficult economic environment, our goal of financial self-sustainability is likely to take considerably longer than originally envisaged.

For all other core objectives – conservation, research, education and community involvement – ZEALANDIA continues to break new ground (see details in the main body of the Annual Report), generating significant environmental, educational and social benefits for the city, the region and New Zealand. Wellington remains the only city in the world with an authentic, world-class sanctuary and an ecological community restoration project in its centre. ZEALANDIA plays a critical role in the restoration of Wellington's ecosystems. It serves as a reservoir for the dispersal of native birdlife, forming a natural hub in Wellington. It is also a

connection point for a network of green spaces and corridors from east to west and north to south, and is a centre for conservation education.

The Trust is conscious of the need to provide affordable access to the sanctuary for the Wellington community. While we are not subsidised operationally by the Wellington City Council or the Government to the extent enjoyed by other attractions in Wellington that would enable a lower charge, the Trust endeavours to address affordability with a number of strategies. In addition to our very competitively priced membership programme, our concessions include \$10 Mondays in May and June, \$10 Tuesdays for students, \$10 Buggy Walks on Wednesdays, half price for locals who bring out-of-towners in summer, gold coin donation days and open days.

On the financial front, our visitor and membership revenue increased by 66% from the previous year with the addition of the ZEALANDIA Visitor and Education Centre, funding that goes directly to supporting our conservation work and advancing our 500 year vision. The contribution from Wellington City was \$1,160,000 in 2009/10 which represented 41% of the Trust's operating revenue. As originally planned, Council contributed \$700,000 in 2010/11, which made 23% of operating revenue.

The Trust achieved an operating surplus before depreciation of \$1,040 for the year. Prudent financial management has also meant that as at 30 June 2011 we held cash reserves of \$1.79m. However, as noted earlier, the Trust is forecasting a lower level of visitors in the medium term compared to what was originally projected. As a result, and with a lower Council grant of \$40,000 in 2011/12 and nil in 2012/13 (based on the visitor numbers originally forecast), the cash reserves are projected to be exhausted in the 2013 fiscal year. This requires the Board to seek and secure additional funding support to enable the Trust to continue operating.

The Trust has a number of initiatives underway to address these challenges and to maximise the opportunities to lift visitor numbers and revenue. These include our branded minibus to transport visitors from the city to ZEALANDIA, improved signage around the city and Cable Car precinct, closer working relationships with other organisations, and a number of measures to enhance the visitor experience including more "up close and personal" experiences within the sanctuary. We will also continue to look to our community, members,

donors and the corporate sector to help us ensure the project's ongoing success and secure its future.

The Trust has also been in discussion with the Mayor and Council officials on various alternative business models. The Council is a strategic partner of the Trust and has provided operational funding support as well as an interest-free limited-recourse loan to help fund the building of the Visitor Centre. The Council sees ZEALANDIA as a central feature of the Wellington visitor experience. It also recognises the significant contribution made by the Trust towards one of the Council's core strategic area of focus, namely environment, and that the Trust has a key role to play in achieving the recently released 2040 Strategic Plan for Wellington. To this end, the Trust is working on a long-term strategy for ZEALANDIA, which would include an assessment of any operational funding requirements arising from this strategy for consideration in the draft Wellington City 2012-2022 Long Term Plan.

Creating a sanctuary in the heart of a modern city to make a living example of conservation accessible to all was an extraordinarily bold and far-sighted decision on the part of our founders, and the city and the sanctuary's trustees are rightly proud of it. I wish to acknowledge the enormous support of my fellow trustees in this challenging time, our Sanctuary Guardians, our Chief Executive Nancy McIntosh-Ward and her team, and the many thousands of individuals and organisations who, as volunteers, members and corporate supporters, continue to play such a critical role in the ongoing success of the project. I would also like to acknowledge in particular our Principal Funders, the Wellington City Council and the New Zealand Government, and our Principal Partner, Mitsubishi Motors New Zealand.



Catherine Isaac  
Chair

**The only city in the world with an authentic, world-class sanctuary and ecological restoration project in its centre.**



# CHIEF EXECUTIVE'S REPORT

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2010/11 was the first full year of operations since ZEALANDIA's Visitor and Education Centre opened in April 2010. As mentioned in the Chair's report, it has been a year of learning and challenges with the launch of a new facility and attraction in a depressed economic climate. However, with the help and support of committed staff, dedicated volunteers and members, we have achieved a very successful year in many fronts, despite lower than target visitor numbers.

Visitor numbers at 89,643 exceeded last year by 44%. This is a major achievement in this economic climate with many tourism operators reporting significant drops in visitor numbers. The profile of international visitors continues to change and will pose a new challenge for us. There was an increase in Australian visitors, and a noticeable decline from the UK and US markets which were the Trust's traditional target markets. There was also slowing in the domestic market. But in the local market, we exceeded our target. We continue to engage our local market through memberships and a range of targeted specific events and promotions.

On the education front, the exhibition has added an extra dimension to our education programme. Our Learning Experiences Outside the Classroom programme continue to excel with numbers exceeding our targets by 28% together with 99% rated satisfaction of good to excellent.

ZEALANDIA continues to be an accessible living laboratory for universities, supporting research and class studies. During the year we signed a Memorandum of Understanding with Victoria University of Wellington's Centre for Biodiversity & Restoration Ecology. The MOU cemented our research relationships with the university.

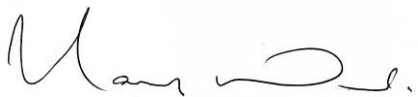
Our breeding season has gone pretty well. Hihi had their second best breeding season since their 2005 reintroduction, and our kākā broke records on a number of fronts. Not only did we have by far the most fledglings ever (78 from nestboxes and an unknown number from natural nests) but we also had the earliest start to the breeding season with the first chicks hatched by the end of August, and the largest clutch (7 eggs) laid to date. For those who live around the sanctuary like me, no doubt you would have been spoilt to have kākā waking you up in the morning, and then squawking to say goodnight.

Eighty kākārīki were transferred from Kapiti Island to ZEALANDIA for the first time. Fifty-five were transferred in July 2010 and a further 25 in May 2011, achieving breeding success in their first year. We have also undertaken more transfers of female bellbirds, one in August 2010 and the other in May 2011 with the aim to address the sex imbalance of the population.

With only 250 takahē left in New Zealand our latest additions - a retired breeding pair of takahē from Mana Island - are very welcome at ZEALANDIA and perfectly placed to advocate conservation to a large and varied audience. T2 and Puffin were transferred on 28 January with support from our principal sponsors Mitsubishi Motors New Zealand and funders Lion Foundation/Karori Brooklyn Community Trust. They have become very confident around visitors and regularly seen in the wetland area, inspiring people to learn about endangered wildlife and come face to face with some of the rarest of our native species.

The café has been a valuable addition as part of an integrated visitor experience and we see a growing demand as a wedding venue, providing opportunities to generate additional income for conservation and education.

Finally I would like to say thank you to all the hard work of our Trustees, Guardians, volunteers and staff and the continued support of our members, strategic partners and supporters. I thank all of them for their support during a challenging year.

A handwritten signature in black ink, appearing to read 'Nancy McIntosh-Ward', with a stylized flourish at the end.

Nancy McIntosh-Ward  
Chief Executive



# THE YEAR'S HIGHLIGHTS

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In this period we have made significant progress towards creating a world-class conservation site, portraying our natural heritage that captures people's imagination, understanding and commitment. Highlights include:

- Being awarded the prestigious Virgin Holidays Responsible Tourism: Best for Conservation of Wildlife and Habitats.
- Achieving a 44% increase in the number of visitors compared to the 09/10 year.
- Successfully releasing a pair of takahē that play a powerfully effective advocacy and educational role and seeing them settle in better than we'd dared to imagine.
- Undertaking the first transfer of kākāriki from Kapiti Island to ZEALANDIA and achieving breeding success in their first year.
- Exceeding Ministry of Education targets by 28% and individual schools targets by 49%.
- Teacher satisfaction evaluations of 99% very good to excellent; with over 75% of the responses rated excellent.
- Achieving a rating of 9.1 for "Experience of venue overall" in our visitor surveys, surpassing the 8.9 benchmark.
- Getting approval from the Department of Conservation to host Sirocco the kākāpō for a limited advocacy period.
- Making our first significant step towards restoring the sanctuary's aquatic habitat by assisting in a trial eradication of brown trout from our Upper Lake and tributaries.
- Our Trustee Paul Callaghan winning New Zealander of the Year and Guide and Host Convenor Pam Fuller winning a 2011 New Zealander of the Year Local Hero award.



**Puffin and T2, our advocacy takahē pair, settle in to their new home.**

# CONSERVATION

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Key strategic objectives in our conservation management plan are restoring representative flora, fauna, habitats, and re-establishing key natural processes within our 225ha fenced sanctuary with the eventual aim of getting species dispersal and gene flow occurring in the wider ecosystem.

## COOK STRAIT GIANT WETA/WĒTA

Monitoring of specially designed wēta hotels has continued to confirm presence of locally bred juvenile and adult giant wēta (*Deinacrida rugosa*) in the sanctuary valley.

## MAUD ISLAND FROGS/PAKEKA

A Maud Island frog (*Leiopelma pakeka*) audit of the “adult enclosure” was undertaken in March 2011, the first since 2009. Twelve baby frogs and one yearling were found, confirming annual breeding is taking place. Twenty-five adults were also found in the enclosure, an excellent survival rate with only one adult frog disappearing since the last audit two years ago.

The enclosures housing juveniles were not audited so as to minimise risk to the small frogs but night-time searches have confirmed survival here. The thirteen juveniles found this year were also transferred here, away from the adults. While annual audits and the temporary isolation of juveniles will not be required in future, since we have confirmed that at least some babies can survive to a year old in the presence of adults, we want to reduce the density of adults in the enclosure to allow for natural population increase. We plan to build another enclosure next to the Te Mahanga track to provide night guides an opportunity to show visitors the frogs when feasible – this will allow us to reduce the density of frogs in each enclosure, improve survival rate of juveniles left undisturbed in their natal enclosure and spread risk. Frogs will be swapped between enclosures as necessary to minimise the risk of inbreeding.

## GECKOS/MOKOMOKO

The Wellington green geckos (*Naultinus punctatus*) and forest geckos (*Mokopirirakau* “southern North Island forest gecko”) in our ‘gecko nursery’ continue to engage our visitors. As in previous years one-year old geckos (twenty-four green geckos and three forest geckos) were released on Matiu-Somes Island. Fifteen juvenile green geckos and one juvenile forest gecko have replaced them.

## TUATARA

Several tuatara (*Sphenodon punctatus*) hatchlings have been reliably seen beside Lake Road. Fifteen tuatara hatched at Victoria University of Wellington after being rescued from three disturbed nests – these juveniles will be placed on display in specially built enclosures sponsored by Tuatara Breweries until they are large enough to be safely released back into the wild (at about five years age).



## BELLBIRD/KORIMAKO

Eight females were transferred from Kapiti and released on 10 August but only one of the females was subsequently recruited into the breeding population which totalled eight females. Between them they were responsible for 64 fledglings. High productivity has been a feature of the site but establishment of a self-sustaining population has been constrained because of high juvenile dispersal and low recruitment of one season’s juveniles, particularly female, into the next season’s breeding population. Of the 46 birds fledged in the 2009-10 breeding season only 7 birds, all male, were recorded back in the valley at the commencement of the 2010-11 breeding season. At the end of the 2010-11 breeding season transmitters were deployed on 13 birds, mostly juvenile, to further investigate patterns and timing of dispersal.

In view of the limited success in establishing a viable population of bellbird within the sanctuary a proposal for a large-scale transfer of 70 Kapiti females was accepted by DOC to address the imbalance of males to females in the valley. This will allow us to investigate the effect of single males on recruitment and whether or not a larger breeding population will improve recruitment. The first of two transfers took place in early May 2011 and saw 35 birds released. Transmitters were attached to 5 birds. Telemetry established that they were using food resources in Otari Wilton, but also capable of travelling rapidly between that site and ZEALANDIA.

## HIHI/STITCHBIRD

Hihi (*Notiomystis cincta*) had their second best breeding season since the 2005 reintroduction. Nineteen females, the highest number to breed here to date, produced 69 fledglings. Recruitment of juvenile females (58%) exceeded that of males (42%) for the first time, so the population had a more even sex ratio (26M:22F) at the beginning of the breeding season than in preceding years, and this may have helped with nesting success.

Productivity improved with 3.6 fledglings per pair compared with 3.1 and 2.8 in previous two seasons. However, 43% eggs failed to hatch. Research looking at genetic fitness of the population is planned.

During a couple of cold snaps we observed 2 nests that successfully hatched chicks even though the females were away from the nest for over an hour (much longer than the usual 30-40 minutes) and the incubation period was much longer than usual (20 & 23 days compared with 15).

We undertook our first chick transfer to foster parents this year to improve the chances of survival of a clutch of 4 chicks after their mother died. At 25 days age, one of these chicks was shifted into a nest where a pair of hihi were caring for 2 chicks of similar age, leaving its now solo father to look after 3 chicks. The foster parents accepted the new arrival, and the solo father successfully fledged his 3 remaining chicks. If he had been left with 4 chicks to raise on his own, there was a good chance that some or all might have died.

## NORTH ISLAND KAKA/KĀKĀ

The breeding season for kākā (*Nestor meridionalis septentrionalis*) was record breaking on a number of fronts. Not only did we have by far the most fledglings ever (78 from nestboxes and an unknown number from natural nests) but we also had the earliest start to the breeding season with the first chicks hatched by the end of August, and the largest clutch (7 eggs) laid to date. In contrast to the nestboxes, most natural nests were either unidentified or inaccessible. We are unsure how many birds fledged from natural sites so the total number of fledglings is uncertain.

Eighty birds from this cohort were banded with an orange band on one leg, additional birds were banded with a yellow band when the orange had run out. The population continues to show an encouraging increase, and a population estimate of 100 is conservative as many kākā, particularly males, remain elusive and unseen until they start to breed in their second or third year. Dusk remains the best time to see kaka throughout the year, although there was an increase in daytime activity at the feeders by young kākā during autumn, and we hope it continues throughout the year.



## RED-CROWNED PARAKEET/KĀKĀRIKI

Eighty kākāriki were transferred from Kapiti Island to ZEALANDIA for the first time, fifty-five in July and a further twenty-five in May. Sponsorship came from the W N Pharazyn Charitable Trust. Breeding six pairs were confirmed to have bred after the first transfer.

Although 100 kākārīki boxes were built and installed, none were used, probably due to kaka damage at the time kākārīki were investigating them. Most nests have been found in holes in old tree fuchsia but a couple of late nests were found in a hihi box and a kākā box, providing convenient access for banding chicks. We video recorded the first chick to leave its nest; the exciting footage is now displayed to visitors.

At least thirty kākārīki fledged and were banded; the number is uncertain because unbanded birds have been detected here that are assumed to have travelled from Matiu/Somes Island – wherever possible these have been caught and banded so that we can monitor their survival and productivity.

## **TAKAHĒ**

A retired breeding pair of takahē (T2 and Puffin) were transferred to ZEALANDIA on 28 January with support from our principal sponsors Mitsubishi Motors New Zealand and funders Lion Foundation/Karori Brooklyn Community Trust. With only 250 remaining we are privileged to provide them with a new home where they can advocate for their species. Chances to see takahē on the mainland are few and ZEALANDIA's unique location provides access to a large audience of individuals and educational groups. Having spent the previous month in quarantine and undergoing disease screening they spent a few days in a quarantine pen here until final results arrived and the gates were quietly opened. In moult and needing time to familiarise themselves with their new surroundings we did not publicise their release - allowing the time for them to adjust without pressure from visitors. This was effective and we now have a pair of takahē who are very confident around visitors and reliably seen at the head of the lower lake, for many the highlight of their visit to ZEALANDIA.

## **NEW ZEALAND FALCON/KĀREAREA**

The New Zealand falcon (*Falco novaeseelandiae*) pair successfully nested again in 2010, fledging one chick. Unusually the female laid a second clutch of eggs, but this nest failed, perhaps due to disturbance by the fledgling.

## **FLORA**

During this period our native plant nursery (managed by Forest & Bird) provided us with almost 5,000 plants from 58 rare or missing species. Volunteers undertook most of the planting. Podocarps and other rare species were given individually numbered tags and recorded with GPS after planting to help us locate them in future to monitor survival and growth, as well as to help us to map their distribution.

## **COMMUNITY REGIONAL NETWORK**

We recognise our responsibility in the wider field of conservation and restoration and continue to be actively involved with related projects beyond the fence. This includes Regional networks and meetings concerned with Regional biodiversity whenever possible. Some examples being:

- Wellington Regional Lizard Network.
- Karori Halo Project (Convened by WCC).
- Wellington Green Forum (Convened by Forest & Bird).
- Wellington Region Biodiversity Monitoring Group (convened by DOC).
- Sanctuaries of NZ (Convened by Landcare).

# BIOSECURITY

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The control and eventual eradication of all pest species and the restoration of the indigenous character of the sanctuary valley are central to our Management Plan.

## ANIMAL PEST MANAGEMENT

The 2010/11 annual mouse control was undertaken in July and August 2010, with 75g Pestoff bait placed in most bait stations, 100g in the bait stations at the north end where bait take has been highest in the past. The 2011/12 mouse control began in June 2011 with 70g or 90g placed in the bait stations.

The scheduled audits were carried out in February and April-May and no rat or mustelid sign was detected.

The 1 ha Research Area continues to be essentially free of mice – 4 were removed during the year, none since remedial work was undertaken on vegetation along Lake Rd and the weka fence. Only traps are used in this area should mice be detected, so there has been no poison used here since 2002.





## FRESHWATER RESTORATION

In February staff and volunteers assisted the Department of Conservation in a trial eradication of brown trout from the Upper Lake and its tributaries. Having made great progress in terrestrial restoration this is our first significant step towards restoring the aquatic habitat at ZEALANDIA. Rotenone was used in slurry form and electric fishing preceded the operation. Monitoring will be undertaken for at least a year to determine how successful this was but early signs are positive, with a much greater visibility of native kōura and banded kōkopu already in evidence.

## PLANT PEST MANAGEMENT

As in previous years we engaged a two-person weed team during the summer months. This year the primary focus was on extending grid search and control areas based on past results. Climbing asparagus, old man's beard, cathedral bells, *Selaginella* and Himalayan dogwood were the main objectives but other species were controlled as encountered. In total 34 species were controlled or surveyed.

During this period an effort was made to train volunteers in identification and control techniques to a level where they could be sent off to do invasive species eradication, largely as a self-managed team.

Corporate work groups were also involved in clearing blackberry around the Te Mahanga stream, removing two truckloads of green canes and crowns in total.

During the trout eradication programme the upper lake was lowered and this provided us with an opportunity to treat a confined patch of *Equisetum arvense* which was growing along the edge of the lake and on adjacent slopes. Lake Road was again a major focus with weed control on the cliff slopes requiring the use of abseiling techniques. Like last year, the main target species in this area were Japanese honeysuckle, Mexican daisy and blackberry.

The digital mapping of key pest species using Geographic Information Systems (GIS) has greatly improved work planning and area targeting processes.

# RESEARCH

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**ZEALANDIA provides an easily accessible ‘living laboratory’ where students and scientists can study our plants, animals and ecosystems in the context of a groundbreaking conservation project.**

During the year we signed a Memorandum of Understanding with Victoria University of Wellington’s Centre for Biodiversity & Restoration Ecology. The MOU cemented our research relationships with the university.

In 2010/11 we hosted seven research projects undertaken by leaders in their field. We also supported five PhD projects; two MSc projects, two fourth year projects and one Royal Society teaching fellow. Research was also undertaken by Trust staff.

## MAJOR RESEARCH PROJECTS

Bruce Burns & Trust staff	Landcare Research/Auckland University and Karori Sanctuary Trust	Feasibility of establishing rata epiphytically on hīnau, rewarewa and pine in several locations.
Angela Moles	University New South Wales	Effect of climate change on herbivory.
David West, David Moss and Trust staff	Department of Conservation and Karori Sanctuary Trust	Trial eradication of brown trout from the upper reservoir and tributaries.
Trent Bell	Landcare Research	Forest lizard recovery in New Zealand sanctuaries.
Kristina Ramstad	Victoria University	Examination of the inbreeding effects on little spotted kiwi.
Warrick Powrie & Stephane Gauthier	Waikato University and NIWA	Changes in the perch population in the lower lake using electric fishing, netting and acoustic survey techniques.
David Hamilton, Susie Wood and Trust staff	Waikato University, Cawthron Institute and Karori Sanctuary Trust	Effects of perch on cyanobacteria in the lower reservoir.

## PhD RESEARCH PROJECTS

Alexis Garland	Victoria University	Year to year differences in numerical and spatial cognitive abilities in robins.
Andrew Digby	Victoria University	An acoustic study of little spotted kiwi.
Joseph Azar	Victoria University	Spatial and temporal aspects of song variation in the forest bird community.
Helen Taylor	Victoria University	Inbreeding and ecology of little spotted kiwi.
Sharada Paudel	Victoria University	Phenological patterns in fruit and frugivores in a NZ forest.

## MSc RESEARCH PROJECTS

Lan Pham	Otago University	Assessing the impact of rotenone on native fish and stream invertebrates.
Nicola Armstrong	Victoria University	Spatial memory in robins.

## 3RD AND 4TH YEAR UNIVERSITY RESEARCH PROJECTS

We also supported two fourth year projects (including one BSc Hons project) through Victoria University.

# EDUCATION

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**Education is a key objective of ZEALANDIA, and is critical to our success. We are a centre of conservation excellence providing both New Zealand's only facility fully-dedicated to telling our country's conservation story, and a unique 'open-air classroom' where students and visitors can gain an understanding and appreciation of our natural heritage and the need for conservation.**

Our Ministry of Education - Learning Experiences Outside the Classroom (LEOTC) figures for the year were extremely pleasing. 5978 students attended ZEALANDIA education activities, exceeding MOE targets by 28%. The number of individual schools visiting the sanctuary also surpassed expectations; visits from a total of 116 schools saw us exceed targets by 49%.

Equally as important as were the results of the teacher evaluations for their school tours to ZEALANDIA. This is a measure of satisfaction and takes in a range of categories. From the evaluations received 99% rated their tours through all categories as very good to excellent; with over 75% of the responses rated excellent.

The Exhibition has added an extra dimension to our educational tours, engaging students through film and interactive exhibits to complement the outdoors experience they have in the sanctuary valley. Smaller group sizes, more pre-visit meetings with teachers, highly skilled tour guides and refinement of the various valley 'stations' were also responsible for the improvement in delivery and content of tours and the very favourable 'word of mouth' which helps in marketing them to schools.

As well as MOE based LEOTC tours, educational tours were delivered to school holiday programme providers, tertiary institutions and international schools and universities. Students from these providers accounted for another 1069 students.

The team continues to be actively involved outside the sanctuary fence organising outreach initiatives such as tree planting days in local communities; more than 1500 trees were planted out by local school children this year. New innovations and 'products' in the pipeline will only continue to enhance our reputation as a first class destination for environmental education.

"Quite simply, the field trip was outstanding and it was well linked to the Botany lesson our students were studying. Brian is passionate about native flora and fauna and his educator role at the ZEALANDIA Sanctuary. His delivery genuinely reflected his commitment to education and he has in-depth knowledge in many areas including evolution, conservation, botany and Maori use of native plants. Brian quickly established rapport with our students and his mixture of quick wit and factual material was well received – he had tailored the tour very well to meet the needs of our students. Since arriving back, our students have nothing but accolades for Brian's interesting presentation and the information gleaned. Thanks very much to Brian and the ZEALANDIA staff for the opportunities you presented for our students today."

- Class 11 Teacher, Raphael House Rudolf Steiner School



Inspired teaching: Brian Ireland, an educator from Zealandia, shows students from Evans Bay Intermediate School around the Karori Wildlife Sanctuary.

Photo: JOHN NICHOLSON

# Teacher finds sanctuary an inspiring classroom

**Z**EALANDIA educator Brian Ireland is sure he has one of the best teaching jobs in New Zealand.

teacher at the age of 37, after early careers in golf-course greenkeeping and landscaping. Once he had qualified, he spent 10



"Some of the things they pick up on, you may have said as an aside, and suddenly that becomes the biggest highlight. And I think: 'Really? That?'"

# VISITOR EXPERIENCES & ENGAGEMENT

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The unique visitor experiences we offer are a major asset for the Trust. Developing our sanctuary as an internationally-recognised tourism destination, accessible and appealing to all visitor types, is a key element of our vision.

## SATISFACTION

We achieved a rating of 9.1 for “Experience of venue overall” in our visitor surveys for the year. This exceeds the benchmark of 8.9.

## VISITOR COMPLEX

Rata Café, the Store, function rooms and our permanent natural history Exhibition all continue to contribute significantly to our visitor experience.

## GROUND FLOOR

The ground floor area provides space for educational groups to gather away from inclement weather and acts as a gallery and meeting space. We are now holding some member and volunteer seminars here.

## ZEALANDIA: THE EXHIBITION

The Exhibition has proven to be a highly valuable and effective way to relay the comprehensive New Zealand conservation story to visitors and provide context for the sanctuary valley experience.

For education groups, the Exhibition allows students to gather and process what they have just experienced. This is important as, for many of the children, the concepts they have been confronted with (endemism, extinction, bio-security etc) are new to them and the full impact not immediately obvious.

The main film also reinforces a lot of the messages and stories that have been presented in the sanctuary valley. It's one thing to talk of mass deforestation in Aotearoa, but to have it portrayed through film in a visceral way powerfully effects deeper understanding for all visitors.

## ZEALANDIA SANCTUARY VALLEY

Our sanctuary valley will continue to be a major draw-card for visitors. It provides a unique opportunity to see some of New Zealand's most endangered species in their natural environment, and experience cutting-edge conservation in action. Improvements this year include:

- The addition of two advocacy takahē that are highly and easily visible at the wetlands.
- High visibility of our newly introduced kākāriki at their feeders by the upper dam.
- A boom in baby tuatara visibility and making plans for 15 rescued juveniles, held at Victoria University, to go in their new Tuatara Breweries sponsored enclosures.
- Installing a new interactive “Exit Experience”. The first part a greywacke boulder marking the foundations of the valley (the gardens of Tāne) and the second part a water organ feature. Visitors are encouraged to manually plunge organ pipe flutes into water - recreating the haunting sound of the kōkako. Sustained and collaborative work representing what it will take to achieve our 500 year vision.
- Putting in a new track (Mahanga-Tui) to provide an efficient loop for tour groups.
- Continuation of our giant wēta box trial to see which design is more successful so we might make them accessible to visitors.
- Our submission to host Sirocco the advocacy kākāpō being accepted by the Department of Conservation with support from our principal partner Mitsubishi Motors New Zealand and funding from The Lion Foundation and Karori Brooklyn Community Charitable Trust.
- Visibility of kiwi on the ZEALANDIA By Night tours increasing, with the most notable increases in tours taken during autumn and winter. In the summer months in particular, many tours had the privilege of encountering more than one kiwi.

## TOURS & RANGER TALKS

Our programme of free Ranger Talks, offered daily at 12pm, 1pm, 2pm and 3pm continue to be popular. They are one of the key methods we have to create dialogue and participation with visitors and receive feedback. In May we began to trial a free daily 45 minute “Walk and Talk” tour at 11:15am walking visitors up the Lake road from the Visitor Centre, acting as an introduction to the valley as a whole. It has been popular since the first day and variations of the trial continue.

# CAFÉ, RETAIL & FUNCTIONS

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**Rata café and our function rooms, as well as enhanced retail and admissions facilities, are key components of our visitor complex. Not only are they an integral part of our visitor experience, but the revenue streams also benefit future conservation projects and support our objective of becoming financially sustainable.**

## **ZEALANDIA STORE**

Our enhanced retail store stocks a wide range of high-end souvenirs with a focus on nature-inspired products by local artists and designers. A range of ZEALANDIA branded products are also proving popular.

## **RATA CAFE**

Rata Café worked hard during the year establishing itself as the café of choice for many locals as well as serving the needs of the visitors to ZEALANDIA. It is now in a great position to become a big player in the local café market.

The café has adopted many practices that reflect the ZEALANDIA brand. These include (but are not limited to) serving only organic milk, organic and fair trade coffee, free range eggs, all packaging used is bio degradable even the cleaning products are friendly to our environment.

2010 saw the café establish a vegetable garden, run by a dedicated volunteer. It makes use of the coffee grinds and organic waste generated in the café and produce is then used in the café menu.

The café operated many promotions throughout the year as part of the wider ZEALANDIA experience and has established regular events such as the popular “Storytime” held on Tuesdays through winter.



## **FUNCTIONS**

The function business was a great success for the year and will prove to be a major part of the business in the following years. 8 weddings were held at ZEALANDIA and we have confirmed 22 weddings for the upcoming year. Christmas saw over 1,000 people attend our Christmas functions with feedback being exceptional for both service and quality.



# MARKETING & TOURISM

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**Marketing and business development initiatives that enhance ZEALANDIA's profile in local, domestic and international markets as a world-renowned conservation project and 'must-do' visitor attraction remain vital.**

## LOCAL

We continued to engage the local market through membership, as well as a range of targeted activities like event days and “come now” promotions. We also continued to target specific sub-groups of the local market such as students, families and parents with toddlers with tailored events and admission products.

- \$10 Mondays in May and June
- \$10 Student Tuesdays
- Buggies go Bush Wednesdays
- Toddler Tuesday Storytime
- School Holiday Kids Night Walks and workshops
- Summer events calendar

In addition to paid advertising in print and radio, we received free advertising and editorial. In this period we also continued using social media channels like Twitter and Facebook, primarily to further engage the local market. A “Your Sanctuary” campaign to locals was also used to emphasise how important community involvement and support are in ensuring continued progress towards our conservation and education goals. We also ran a “Winter Warmer” (free coffee with Exhibition-only) offer to entice people to visit in wet or cold weather.

## DOMESTIC

Our brand and visitor experience continues to position ZEALANDIA as a nationally-significant visitor attraction for domestic visitors. A cost effective way to reach domestic (and international) visitors is via visitor touch points such as i-SITes, accommodation providers, travel guide books, the hop on hop off bus, Wellington City Pass and the Wellington Cable Car. All these were used to put ZEALANDIA on the to-do list of out of town visitors. Locals were incentivised by a half price admission when bringing an out of town visitor. We also

participated in Positively Wellington Tourism initiatives to promote Wellington as a visitor destination.

## **INTERNATIONAL**

As with the domestic market, we have continued to work closely with Positively Wellington Tourism, Tourism New Zealand, key inbound tour operators, wholesale agents, specialist trade areas and other local operators and accommodation providers to create compelling products for both independent travellers and those on organised tours. We also trialled running a free bus from the Cable Car on 29 cruise days every 30 minutes. 1326 people were transferred with around 515 (39%) purchasing admission and the rest visiting the café and shop.

In 2010 we were awarded the prestigious Virgin Holidays Responsible Tourism: Best for Conservation of Wildlife and Habitats, valuable international recognition of our achievements and the experience we offer visitors.

With Rugby World Cup we have been working with Council, Positively Wellington Tourism and other Wellington attractions to ensure we make the most of this opportunity to showcase Wellington.

# COMMUNITY INVOLVEMENT

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**Our relationship with the wider community and our ability to effect positive change will underpin the success of our 500 year vision.**

## VOLUNTEERS

Providing volunteering opportunities enables us to involve the community directly in our work. We have over 400 active volunteers supporting us in 23 different functions from office administration to delivering our visitor experiences. Notably, Lyn Freeman donated her time writing for our new Souvenir Book. In 2010/11, we had over 100 new requests to volunteer at ZEALANDIA, emphasising the ongoing success of our volunteer program. The regular volunteering opportunities in the Conservation and Operations teams continue to be a valuable way in which students can gain work experience. Corporate volunteering and internships have continued to grow during this period. We are extremely grateful to all of our volunteers for their continued support. Each month we host a volunteer seminar, recent topics have included mouse trapping and kiwi tracking, the latter being the first to be held in our Visitor Centre.

We have started to track the total volunteer hours each month since February 2011. The total hours over the last five months to June 2011 has been calculated at 14,561.

## GUIDES & HOSTS

At year-end we had 65 guides and 38 hosts – our biggest volunteer group. We ran two training programmes: one for guides in August and the second for mid-week guides in November. For our guide intake we recorded 60+ hits on our enquiry line which translated into 28 applications. Two small group interview sessions were held with 15 applicants being accepted for training. Training for Guides takes the form of a 5 sessions over a weekend plus two to four in-valley accompanied sessions to develop skills.

## MEMBERS

Membership is designed to engage people who have less time to offer but still want to get involved, as well as providing a high value annual pass option to locals. Member seminars are held roughly twice a year, with the latest from Historical Biogeographer George Gibbs and Geologist Hamish Campbell drawing a large crowd.

We saw a small decrease in member units this year due probably to the economic climate and shifts in perception of value. Raising the awareness of membership benefits to locals is a high priority for 11/12 financial year. Current members can also help by introducing friends and relatives.

## **WIDER COMMUNITY**

Public events and special promotions targeted at locals also play an important part in engaging the community in our vision. 170 complementary passes were issued for use as prizes at kindergarten, school and local community events. In this period, we continued discounted admission products for seniors, students and community card holders to make ZEALANDIA more accessible to low income-earners. We also ran open days in October 2010 and June 2011, collectively giving 10,059 people who might ordinarily not come to ZEALANDIA an opportunity to do so.



**Guide & Host Convenor &  
Local Hero award winner Pam Fuller**

# FUNDRAISING

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**Income from sponsorships, grants, appeals, donations and bequests will always be vital to the success of our vision, and provide an important way for people to help make a difference.**

Excluding City Council grant, total income from sponsorships, grants, appeals, donations and bequests in this period was \$378,527 - a 25% reduction on last year. The reduction was due to the delay of the street collection (because of the Christchurch earthquakes) and a lower amount of bequests. We are sincerely grateful to everyone who has supported us through these initiatives over the year.

During the year we also received \$700,000 transitional operating grant from City Council, our principal funder.

# HUMAN RESOURCES

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**Our vision document identifies a highly-skilled workforce working as a team towards a common goal as a key objective in achieving our aim.**

During the year, we said farewell to Karen McDonald, Marketing & Sales Manager, Robert Schubach, Finance Manager, Diane Shaw Assistant Retail & Admissions Manager and our long serving senior Marketing and Communications co-ordinator Alan Dicks. We welcomed Peter Laurenson as the new Marketing and Sales Manager, Paul Bingham as temporary Finance Manager and Lauren Schaer as Communications and Marketing Coordinator.

# FINANCE

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For the year ended 30<sup>th</sup> June 2011, the Trust recorded an operating surplus before depreciation of \$1,040 as compared to last year's surplus of \$76,086. The reduced surplus was due to lower Wellington City Council grant (\$700,000 as compared to \$1,160,000 previous year), lower bequests and interest income, but these were mostly offset by higher visitor income.

Net deficit after depreciation (noting depreciation being a non cash expense) was \$902,035 compared to last year's surplus of \$3,377,750. Last years surplus included capital expenditure grants for ZEALANDIA Visitor and Education Centre (\$3,665,758). We expect to make operating losses after depreciation over the next few years as we build our business.

Total operating revenue of \$3,003,701 was \$172,110 above last year's \$2,831,591. This reflected increases in admissions, memberships and café and retail sales (\$755,616), being the first full year of operating the visitor centre; offset by a reduction in Council funding for the year.

Total expenditure before depreciation of \$3,097,557 was \$158,608 higher than last year of \$2,938,949. Apart from general cost escalations, the increase was due to the first full year of running costs of the ZEALANDIA Visitor and Education Centre, including the café and retail operations.

Net assets as at 30<sup>th</sup> June 2011 stood at \$8,933,041 compared to \$9,835,076 last year. Cash and bank was down \$245,118 at \$1,793,009 but offsetting this was a \$303,661 reduction in outstanding creditors. There were no significant new fixed assets this year.

Other current liabilities remained consistent this year including \$108,333 for The Community Trust of Wellington loan. The bank balance of \$1.79m will fund expected operating losses in 2011/12, and beyond.

# RECOGNITIONS

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The ongoing support of individuals and organisations through grants, donations, sponsorships, subscriptions, technical advice and in-kind support remains absolutely critical to the Trust's ongoing viability. We sincerely thank the following for their support in 2010/11.

## PRINCIPAL FUNDERS

Wellington City Council	New Zealand Government – Significant Community-Based Projects Fund
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## PRINCIPAL PARTNERS

Mitsubishi Motors New Zealand
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## STRATEGIC PARTNERS

Department of Conservation	Wellington Tenths Trust
Victoria University of Wellington	

## FOUNDING SUPPORTERS

NZ Lottery Grants Board	Keith Taylor Charitable Trust
Todd Corporation & Todd Foundation	The Fletcher Trust
Greater Wellington Regional Council	The Community Trust of Wellington



## **KAKA (GOLD) SUPPORTERS**

<b>Russell McVeagh</b>	<b>New Zealand Community Trust</b>
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## **TUI (SILVER) SUPPORTERS**

<b>The Holdsworth Charitable Trust</b>	<b>W N Pharazyn Charitable Trust</b>
<b>R&amp;D Evans Charitable Trust</b>	<b>Stout Trust</b>

## **HIHI (BRONZE) SUPPORTERS**

<b>Noel &amp; Joanna Todd</b>	<b>The Fleming Family</b>
<b>The Kinsky Family Trust</b>	<b>Nature Heritage Fund</b>
<b>Karori Brooklyn Community Charitable Trust / The Lion Foundation</b>	<b>The Pacific Development &amp; Conservation Trust</b>
<b>Trusthouse</b>	<b>Pub Charity</b>
<b>Ministry of Tourism</b>	

## **COMMUNITY SUPPORTERS**

<b>The Rotary Club of Karori</b>	<b>The Combined Rotary Clubs of Wellington</b>
<b>Karori Lions Club</b>	<b>Forest &amp; Bird</b>
<b>Our hundreds of volunteers</b>	<b>Our thousands of members</b>

## **SUPPORTING BUSINESSES**

<b>GO Wellington</b>	<b>Beca</b>
<b>Tuatara Brewery</b>	<b>The Dominion Post</b>
<b>CENTAMAN System</b>	<b>Designworks</b>

## OTHER SUPPORTERS

<b>Ngati Kuia</b>	<b>Ministry of Education LEOTC grant</b>
<b>Ngati Paoa</b>	<b>Woolyarns Ltd.</b>
<b>Te Kawerau a Maki</b>	<b>Dorothy L Newman Charitable Trust</b>
<b>Ngati Manuhiri</b>	<b>Victoria University, Massey University, Waikato University, Auckland University, NIWA, Landcare Research, Cawthron Institute &amp; Wellington Zoo</b>
<b>Ngai Tahu</b>	<b>TechSoup / Microsoft</b>
<b>Ngati Toa</b>	<b>Wellington Botanical Society</b>
<b>Ngati Koata</b>	<b>PricewaterhouseCoopers</b>
<b>Te Ati Awa ki Whakarongotai</b>	<b>Harbour City Security Ltd</b>
<b>Port Nicholson Block Settlement Trust</b>	<b>A. J. Wills</b>
<b>Wellington Tenths Trust</b>	

## BUSINESS GOES BUSH & CORPORATE MEMBERS

<b>Bolton Hotel</b> (Business Goes Bush)	<b>Kenex Knowledge Systems Ltd</b> (Corporate Member)
<b>Greater Wellington Regional Council</b> (Corporate Member)	<b>Youth Hostel Association of NZ Inc.</b> (Business Goes Bush Member)
<b>Intergen</b> (Business Goes Bush)	

**KARORI SANCTUARY TRUST (INC.)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2011**

Karori Sanctuary Trust (Inc.)  
Statement of Financial Performance  
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
<b>Operating revenue from continuing activities</b>			
Membership subscriptions		292,408	267,061
Grants and donations		1,078,527	1,664,737
Admissions		825,127	622,125
Sale of goods		788,128	260,861
Other		19,511	16,807
<b>Operating revenue</b>		<b>3,003,701</b>	<b>2,831,591</b>
<b>Other income</b>			
Interest received		94,896	183,444
<b>Total revenue and other income</b>		<b>3,098,597</b>	<b>3,015,035</b>
<b>Operating expenses</b>			
Operating expenditure	2	2,921,472	2,751,301
Audit fees		12,600	12,000
Trustee remuneration		101,833	106,166
Interest paid	7	61,652	69,482
<b>Total</b>		<b>3,097,557</b>	<b>2,938,949</b>
<b>Operating surplus before depreciation and ZEALANDIA Visitor Centre grants</b>		<b>1,040</b>	<b>76,086</b>
Less depreciation	3	(903,075)	(364,094)
<b>Plus ZEALANDIA Visitor Centre grants</b>			
Government grant – ZEALANDIA Visitor Centre	8	-	3,565,758
Other grant – ZEALANDIA Visitor Centre	8	-	100,000
<b>Total</b>		<b>-</b>	<b>3,665,758</b>
<b>Net (deficit) / surplus</b>		<b>(902,035)</b>	<b>3,377,750</b>

The accompanying notes on pages 5 to 11 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc.)  
Statement of Movements in Equity  
For the year ended 30 June 2011

	2011	2010
	\$	\$
<b>Accumulated funds at beginning of year</b>	9,835,076	6,457,326
Net (deficit) / surplus for year	<u>(902,035)</u>	<u>3,377,750</u>
Total recognised revenues and expenses for the period	<u>(902,035)</u>	<u>3,377,750</u>
<b>Accumulated funds at end of year</b>	<u><u>8,933,041</u></u>	<u><u>9,835,076</u></u>

Karori Sanctuary Trust (Inc.)  
Statement of Financial Position  
As at 30 June 2011

	Note	2011 \$	2010 \$
<b>Equity</b>			
<b>Accumulated funds</b>		<u>8,933,041</u>	<u>9,835,076</u>
Represented by:			
<b>Current assets</b>			
Cash and bank		1,793,009	2,038,127
Accounts receivable		22,766	84,460
Prepayments		20,481	0
Stock on hand		80,912	68,984
GST refund / (payment)		9,879	124,827
<b>Total current assets</b>		<u>1,927,047</u>	<u>2,316,398</u>
<b>Non current assets</b>			
Fixed assets	6	<u>18,757,098</u>	<u>19,540,003</u>
<b>Total non current assets</b>		<u>18,757,098</u>	<u>19,540,003</u>
<b>Total assets</b>		<u>20,684,145</u>	<u>21,856,401</u>
<b>Current liabilities</b>			
Creditors		123,873	427,534
Grants received in advance – sundry		100,000	4,500
Community Trust loan	7	108,333	108,333
Accrued holiday pay		113,150	105,076
Unearned subscription income		159,059	129,193
<b>Total current liabilities</b>		<u>604,415</u>	<u>774,636</u>
<b>Non current liabilities</b>			
Community Trust loan	7	800,000	900,000
Wellington City Council loan	8	<u>10,346,689</u>	<u>10,346,689</u>
<b>Total liabilities</b>		<u>11,751,104</u>	<u>12,021,325</u>
<b>Net assets</b>		<u>8,933,041</u>	<u>9,835,076</u>

The Board of Trustees authorised the financial statements for issue on 26<sup>th</sup> August 2011.



Chairperson: Catherine Isaac

Date: 26 August 2011



Trustee: Graeme R. Mitchell

Date: 26 August 2011.

Karori Sanctuary Trust (Inc.)  
Statement of Cash flow  
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Cash was provided from:			
Membership subscriptions		322,274	261,857
Grants and donations		1,174,027	1,664,737
Admissions and other income		1,632,766	832,995
Interest received		94,896	213,362
<b>Total</b>		<b>3,223,963</b>	<b>2,972,951</b>
Cash was applied to:			
Payments to suppliers and employees		(3,302,207)	(2,854,401)
Interest paid		(61,652)	(69,482)
Net GST payment / (refund)		114,948	(202,416)
<b>Total</b>		<b>(3,248,911)</b>	<b>(3,126,299)</b>
<b>Net cash flows from operating activities</b>	9	<b>(24,948)</b>	<b>(153,348)</b>
<b>Cash flows from investing activities</b>			
Cash was applied to:			
Purchase of plant, equipment & other assets		(120,170)	(9,395,148)
<b>Net cash flows from investing activities</b>		<b>(120,170)</b>	<b>(9,395,148)</b>
<b>Cash flows from financing activities</b>			
Cash was provided from:			
Loan from Wellington City Council	8	-	3,279,866
Government grant – ZEALANDIA Visitor Centre	8	-	3,565,758
Cash was applied to:			
Repayment of loan	7	(100,000)	(100,000)
<b>Net cash flows from financing activities</b>		<b>(100,000)</b>	<b>6,745,624</b>
Net (decrease) / increase in cash		(245,118)	(2,802,872)
Opening cash		2,038,127	4,840,999
<b>Closing cash</b>		<b>1,793,009</b>	<b>2,038,127</b>
<b>Cash and cash equivalents comprise</b>			
Cash and bank		1,793,009	2,038,127

The accompanying notes on pages 5 to 11 form an integral part of these financial statements.

Karori Sanctuary Trust (Inc.)  
Notes to the Financial Statements  
For the year ended 30 June 2011

**1. Statement of accounting policies**

**i. Basis of reporting**

The financial statements presented here are for the reporting entity, the Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005, established to develop a secure native wildlife sanctuary in the Karori Reservoir valley in the city of Wellington.

The Trust is a qualifying entity within the differential reporting framework issued by the New Zealand Institute of Chartered Accountants. The Trust qualifies on the basis that it has no public accountability (that is: not an issuer as defined under the Financial Reporting Act 1993 nor does it have coercive power to tax, rate or levy to obtain public funds) and is not considered large as defined by the framework. The Trust has taken advantage of all differential reporting concessions available to it except for FRS10 Statement of Cash Flows.

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. The Trust has chosen not to adopt the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). The decision not to adopt is consistent with the exemption provided by the Accounting Standard Review Board (ASRB) Release 9, issued September 2007. ASRB Release 9 provides a choice to certain qualifying entities to either adopt NZ IFRS or to continue to apply New Zealand Financial Reporting Standards (NZ FRS).

The measurement base adopted is that of historical cost.

Reliance is placed on the assumption that the Trust continues to receive sufficient income to fund ongoing operations.

**ii. Recognition of revenue**

Grants are recognised as revenue when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

Revenue received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

Sales of goods and admissions comprise the amounts received and receivable for goods and services supplied to customers in the ordinary course of business. This revenue is recognised when the goods or services are provided to the customer.

Interest income is accounted for as earned.

In the financial statements, there is no financial recognition of support given in the form of donated labour and materials.

**iii. Fixed assets**

Fixed assets are recorded at cost less accumulated depreciation.

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

**iv. Depreciation**

Depreciation of fixed assets is calculated on a straight-line basis so as to allocate the cost of the assets over their useful lives as follows:

Building / infrastructure	10 – 100 years
Exhibitions	5 – 25 years
Leasehold improvements	10 – 25 years
Predator fence	25 – 50 years
Fixtures, plant and equipment	5 – 75 years



**Karori Sanctuary Trust (Inc.)**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2011**

Vehicles	5 – 10 years
Boat	15 years
Other Assets	2.5 – 50 years

**v. Accounts receivables**

Accounts receivable are stated at anticipated realisable value after providing against debt where collection is doubtful.

**vi. Stock on hand**

Stock on hand comprise of retail and food & beverages. They are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis.

**vii. Leased assets**

As lessee:

Operating lease payments are recognised as an expense in the periods the amounts are payable.

**viii. Impairment**

Annually, the management assess the carrying value of each asset. Where the estimated recoverable amount of the asset is less than its carrying amount, the asset is written down. The impairment loss is recognised in the statement of financial performance.

**ix. Employee entitlements**

Employee entitlements to salaries and wages, annual leave and other benefits are recognised when they accrue to employees.

The liability for employee entitlements is carried at the present value of the estimated future cash outflows.

**x. Goods and services tax (GST)**

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of receivables and payables that include GST invoiced.

**xi. Income tax**

The Trust being a charitable organisation is income tax exempt under the Income Tax Act 2007.

**xii. Statement of cash flows**

The following are the definitions of the terms used in the statement of cash flows:

- (a) Operating activities include all transactions and other events that are not investing or financing activities.
- (b) Investing activities are those activities relating to acquisition, holding and disposal of property, plant and equipment and of investments.
- (c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.
- (d) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

**xiii. Changes in accounting policies**

There have been no changes in accounting policies in the year.

Karori Sanctuary Trust (Inc.)  
Notes to the Financial Statements  
For the year ended 30 June 2011

**2. Operating expenditure**

	2011	2010
	\$	\$
Administration and management	145,192	176,127
Cost of goods sold	328,002	237,781
Personnel costs	1,759,866	1,520,921
Other operating expenditure	688,412	816,472
Total	2,921,472	2,751,301

**3. Depreciation**

	2011	2010
	\$	\$
Trust buildings	189,024	86,412
Exhibition centre	381,383	76,964
Leasehold improvements	57,170	29,860
Predator fence	103,661	93,453
Fixtures, plant and equipment	66,483	24,895
Vehicles	8,854	9,165
Other assets	96,500	43,345
Total	903,075	364,094

Some leasehold improvements and trust buildings have been transferred to fixtures, plant and equipment and other assets in 2011.

Karori Sanctuary Trust (Inc.)  
Notes to the Financial Statements  
For the year ended 30 June 2011

**4. Lease commitments**

**i. ZEALANDIA land**

The Trust is a party to an agreement with the Wellington City Council and Wellington Regional Council for the transfer of ZEALANDIA land and its ultimate lease to the Karori Sanctuary Trust. The lease agreement is currently being finalised.

**ii. Trust offices**

The Trust leases its office building from the Wellington City Council at an annual rental of \$7,280 (2010 - \$7,280).

**iii. Photocopier and EFTPOS terminals**

	Photocopier	EFTPOS terminals	2011
	\$	\$	\$
Current portion – not later than one year	3,490	7,618	11,108
Later than one year but not later than five	3,199	3,491	6,690
<b>Total operating leases</b>	<b>6,689</b>	<b>11,109</b>	<b>17,798</b>

	Photocopier	EFTPOS terminals	2010
	\$	\$	\$
Current portion – not later than one year	3,490	7,576	11,066
Later than one year but not later than five	6,980	11,109	18,089
<b>Total operating leases</b>	<b>10,470</b>	<b>18,685</b>	<b>29,155</b>

The photocopier lease is set to expire 22 June 2013. The EFTPOS terminal leases are set to expire between 6 October 2012 and 4 February 2013.

**5. Capital commitments**

There are no capital commitments (2010 nil).

Karori Sanctuary Trust (Inc.)  
Notes to the Financial Statements  
For the year ended 30 June 2011

**6. Fixed assets**

	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net book value 2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trust buildings	11,597,975	542,664	11,055,311
Exhibition centre	3,629,357	391,889	3,237,468
Leasehold improvements	1,132,006	217,443	914,563
Predator fence	2,457,633	1,046,605	1,411,028
Fixtures, plant and equipment	1,663,144	290,028	1,373,116
Vehicles	118,999	58,093	60,906
Other assets	949,532	330,746	618,786
Capital works in progress – sundry	85,920	-	85,920
<b>Total</b>	<b>21,634,566</b>	<b>2,877,468</b>	<b>18,757,098</b>

Some leasehold improvements and trust buildings have been transferred to fixtures, plant and equipment and other assets in 2011.

	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net book value 2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trust buildings	11,092,465	369,217	10,723,248
Exhibition centre	3,655,501	76,965	3,578,536
Leasehold improvements	2,895,699	160,274	2,735,425
Predator fence	2,455,415	942,944	1,512,471
Fixtures, plant and equipment	637,668	110,796	526,872
Vehicles	118,999	49,239	69,760
Other assets	550,493	264,958	285,535
Capital works in progress – ZEALANDIA Visitor Centre	100,000	-	100,000
Capital works in progress – sundry	8,156	-	8,156
<b>Total</b>	<b>21,514,396</b>	<b>1,974,393</b>	<b>19,540,003</b>

**Karori Sanctuary Trust (Inc.)**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2011**

**7. Community Trust loan**

The Trust received a loan of \$1,500,000 in 1999 from the Community Trust of Wellington to fund the construction of the predator fence with the Wellington City Council as a guarantor for this loan. Repayment commenced in 2005/6 over a 15 year period. Interest payments commenced in 2004/5.

The current portion of the term liability as at 30 June 2011 was \$100,000. In addition \$8,333 (2010 \$8,333) was accrued being the June repayment payable in July.

**8. ZEALANDIA Visitor Centre**

ZEALANDIA Visitor Centre is funded through:

Government

In 2007, the Trust received a grant of up to \$6.523m from the Government's Significant Community Based Projects Fund for contribution towards ZEALANDIA Visitor Centre Project. The Significant Community Based Projects Fund was established to support major community based projects of regional and national significance.

As at 30 June 2011, the full amount of the government grant had been spent.

Wellington City Council

In 2007, an interest free limited recourse loan agreement of \$8m was entered into with the Wellington City Council to assist with the development of ZEALANDIA Visitor Centre Project. This loan was further increased to \$10,346,689. As at 30 June 2011, an amount of \$60,000 was unspent.

The loan is repayable over 25 years according to the terms of the loan agreement.

Community

A community fundraising programme was launched in 2007 and raised \$307,000. This has been spent.

Karori Sanctuary Trust (Inc.)  
Notes to the Financial Statements  
For the year ended 30 June 2011

**9. Reconciliation of cash flow statement**

**Reconciliation of net cashflow from operating activities with operating surplus**

	2011	2010
	\$	\$
<b>Net (deficit) / surplus on operations</b>	<b>(902,035)</b>	<b>(288,008)</b>
Add / (deduct) non cash items		
Depreciation	903,075	364,094
Add / (deduct) movements in working capital items		
Decrease / (increase) in GST receivable	114,948	(202,416)
Increase in stock on hand	(11,928)	(45,112)
Decrease / (increase) in accounts receivable	41,213	(45,404)
Increase / (decrease) in income in advance	125,366	3,230
(Decrease) / increase in accounts payable from operations	(295,587)	60,268
	<hr/>	<hr/>
<b>Net cash flow from operating activities</b>	<b>(24,948)</b>	<b>(153,348)</b>

**10. Related party transactions**

During the year, there have been no material related party transactions.

**11. Contingent liabilities**

There are no contingent liabilities as at 30<sup>th</sup> June 2011 (2010 nil).

**12. Post balance date events**

There is no post balance date event which affects these financial statements (2010 nil).



## ***Independent Auditors' Report*** to the members of Karori Sanctuary Trust

### ***Report on the Financial Statements***

We have audited the financial statements of Karori Sanctuary Trust on pages 1 to 11, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of movements in equity and statement of cash flow for the year then ended, and the notes to the financial statements that include a statement of accounting policies and other explanatory information.

### ***Committee's Responsibility for the Financial Statements***

The Committee is responsible for the preparation of financial statements that present fairly the matters to which they relate and for such internal controls as the Committee determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Trust's preparation of financial statements that present fairly the matters to which they relate, 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

Other than in our capacity as auditors we have no relationship with, or interests in, Karori Sanctuary Trust.



## ***Independent Auditors' Report*** Karori Sanctuary Trust

### ***Opinion***

In our opinion, the financial statements on pages 1 to 11 present fairly, in all material effects, the financial position of the Trust as at 30 June 2011, and its financial performance and cash flows for the year ended on that date.

### ***Restriction of Distribution or Use***

This report is made solely to the Trust's members, as a body. Our audit work has been undertaken so that we might state to the Trust's members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants  
26 August 2011

Wellington



# TRUSTEE PROFILES

<p><b>Catherine Isaac*</b>  (Chair)</p>	<p>Catherine is Managing Director of Awaroa Partners Ltd, a company specialising in strategic communications and marketing, and a consultant for the New Zealand Business Roundtable and other corporate clients. She has many years experience in senior communications roles and directorships in the public, private and not-for-profit sector. She joined the Board of Trustees in 2006 and was appointed Chair in July 2010.</p>
<p><b>Dr Russell Ballard</b> CNZM</p>	<p>Russell holds several Board appointments and is Chancellor of Massey University. He has over 60 articles published in various science journals and books, and was made a Companion of the New Zealand Order of Merit in 1994.</p>
<p><b>Professor Sir Paul Callaghan</b> CNZM, FRS, FRSNZ</p>	<p>Paul is the Alan MacDiarmid Professor of Physical Sciences at Victoria University and the founding Director of the MacDiarmid Institute for Advanced Materials and Nanotechnology. He has published around 240 articles in scientific journals and is a regular speaker on science matters.</p>
<p><b>Professor Charles Daugherty</b> ONZM, FRSNZ</p>	<p>Charles is Assistant Vice-Chancellor (Research) at Victoria University, and Director of the Allan Wilson Centre for Molecular Ecology and Evolution. His research interests focus on evolutionary and population biology of vertebrates, conservation genetics, and ecological restoration. He is a Council Member of Victoria University of Wellington, and joined the Board of Trustees in 2007.</p>
<p><b>George Hickton</b></p>	<p>George was appointed Chief Executive on the New Zealand Tourism Board in 1999. He repositioned the organisation as Tourism New Zealand and launched the 100% Pure New Zealand campaign. During this time tourism growth to New Zealand has increased by 50% and Tourism is now one of New Zealand's largest single export industries. He left Tourism New Zealand in December 2009 and joined the Board of Trustees in 2010.</p>
<p><b>Don Huse*</b></p>	<p>Don is a company director. He has had senior roles in a range of enterprises, including Auckland, Sydney and Wellington Airports and WWF - New Zealand. He was an advisory trustee of the Karori Sanctuary Trust in 1996/97 and joined the Board of Trustees in 2009.</p>
<p><b>Graeme Mitchell</b> Chair of Audit &amp; Risk Committee</p>	<p>Graeme has a finance background. He is a chartered accountant, recently retired from Deloitte, Wellington, where he was an Audit and Assurance partner for over 28 years. He is a Member of Council of Victoria University of Wellington, a Member of the Board of Trustees of the National Provident Fund, a Director of Barnados New Zealand and Honorary Consul General for Norway. He joined the Board of Trustees in 2009.</p>

\*Members of Audit & Risk Committee

# GUARDIANS

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<p><b>Richard Bentley</b> CNZM (Chair)</p>	<p>Richard has held senior management roles in industry and has served on boards in both the private and public sector chairing many of them. He is currently Principal Business Advisor for the Ministry of Science and Innovation. Richard became involved with the Trust in 1997 and joined the Board in 1998. From July 2002 to June 2009, he held the position of Chair. In June 2009 he was appointed a Guardian.</p>
<p><b>Andy Foster</b></p>	<p>Andy Foster is a Wellington City Council Councillor, a founding trustee and was a representative for the Wellington City Council on the Karori Sanctuary Trust Board for many years. Andy is an active volunteer of the Trust and has been involved with the Trust since its inception.</p>
<p><b>Stephen Fuller</b></p>	<p>Stephen has been involved with the Trust since its inception, first as Project Manager and then as General Manager in 1995. He retired from that position in 2002 following opening of the Sanctuary to the Public and completion of the first stage of facilities development. From November 2002 - June 2009 he sat on the Trust Board. He was appointed a Guardian in June 2009. He currently works for an environmental consultancy firm.</p>
<p><b>Peter Love</b></p>	<p>Peter is a Manager/Trustee of the Wellington Tenths Trust, which represents the Te Atiawa iwi (mana whenua) of Wellington. In 2000 he joined the Board of Trustees, and became a Guardian in June 2009.</p>
<p><b>Jim Lynch</b> QSM</p>	<p>Jim was the originator of the sanctuary concept and founder of the Trust in the early 1990s. He is a self-employed designer of large scale management systems and training programmes for major organisations and has wide experience of ecology and conservation management at a national level. In 2001 he was awarded the QSM for services to conservation in Wellington. In November 2007 he was appointed Founder-Vice Patron of Karori Sanctuary Trust and in June 2009, appointed as a Guardian.</p>
<p><b>Dr. Colin Miskelly</b></p>	<p>Colin trained as an ecologist, and was a Department of Conservation staff member from 1991 to 2010; he is now Curator Terrestrial Vertebrates at Museum of New Zealand Te Papa Tongarewa. He was a member of the Trust's original steering committee in 1993-5 and was a Trustee from 1999 to 2007. Colin was appointed a Guardian in June 2009.</p>
<p><b>Michael Morris</b> ONZM</p>	<p>Michael is a chartered accountant by profession who has held senior directorship roles in many industries and has served on many boards in the private and community sector, chairing many of them. He was Chairman of the Karori Sanctuary Trust from 1995-2002 and since then has been Vice-Patron. In 1997 Michael received the award of Officer of the New Zealand Order of Merit for his services to business and the community. He was appointed a Guardian in June 2009.</p>

# DIRECTORY

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## **Patron and Vice-Patron**

Sir Michael Hardie Boys (Patron)  
Michael Morris (Vice-Patron)  
James Lynch (Founder Vice-Patron)

## **Trustees**

Catherine Isaac, Chair  
Prof. Charles Daugherty  
Don Huse  
Dr Russell Ballard  
Prof. Sir Paul Callaghan  
Graeme Mitchell  
George Hickton

## **Guardians**

Richard Bentley, Chair  
Jim Lynch  
Michael Morris  
Andy Foster  
Stephen Fuller  
Peter Love  
Dr Colin Miskelly

## **Management**

Nancy McIntosh-Ward, Chief Executive  
Raewyn Empson, Conservation Manager  
Peter Laursen, Marketing & Sales (from June 2011)  
Karen McDonald, Marketing & Sales (from July 2010 to April 2011)  
Michael Quayle, Visitor Operations Manager  
Marco Zeeman, Facilities Manager  
Robert Schubach, Finance Manager

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Website: [www.visitzealandia.com](http://www.visitzealandia.com)

## **Honorary Solicitors**

Russell McVeagh

## **Bankers**

Westpac

## **Auditors**

PricewaterhouseCoopers

## **Photo credits**

(In order of appearance)  
Rob Suisted  
Brendon Doran  
Bernard Smith  
Lauren Schaer  
Lauren Schaer  
Dominion Post  
Dominion Post  
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