

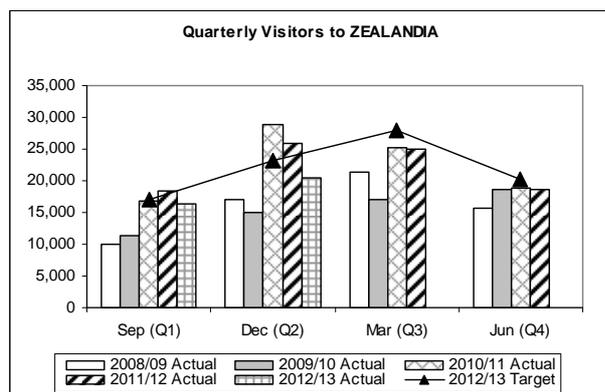
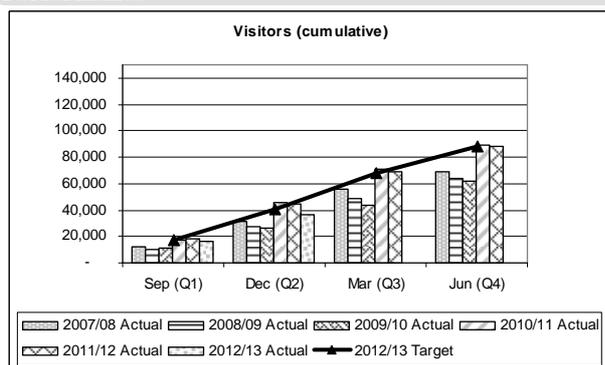
Quarterly Review – Karori Sanctuary Trust

The Karori Sanctuary Trust has presented its report for the quarter ended 31 December 2012 for review. A summary of key findings is presented below and the report is attached.

Highlights

- Council agreed to consult on including a total additional \$350K of funding for Zealandia in the 2013/14 and 2014/15 Annual Plans (\$175k each year), bringing the total grant to \$2.1m over three years.
- Over 1,000 students were hosted on 31 tour bookings during November with overwhelmingly positive feedback.
- 4,104 school children visited Zealandia during the quarter, being 729 (or 22%) ahead of budget.
- Zealandia attained Qualmark/Enviro Gold status during the quarter.

Performance



Q2 visitor figures have trended downward due to declining membership renewals and take-up. This is an area of strategic focus for the current management and board.

Macro Key Performance Indicators

The following KPIs form part of the Business Plan for the Karori Sanctuary Trust:

	2012/13 FY Budget	Q2 Target	Q2 Actual
Visitor numbers	88,401	23,148	20,385
Membership units*	5,139	n/a	n/a
Individual members*	11,433	n/a	n/a
Number of school children visitors**	6,751	3,375	4,104
Council subsidy (\$/visitor)	\$3.96	nil	nil
Average revenue (excl. grants & interest) per visit ***	\$27.05	\$30.66	\$34.17
Satisfaction rating (out of 10)	9.0	9.0	9.4
Volunteer numbers	>400	>400	>400

* measured annually ** measured half yearly

Visitor numbers include school children.
Average revenues include café, retail and functions (i.e. non-entry based revenues).
Going forward, revenue per visitor will identify entry based revenues.

Contact officer: Warwick Hayes

Activities during the quarter

- The Trust's interim board (chaired by Kevin Brady) completed its review of the business and was dissolved as planned at the end of its 6 month term, effective 31 Dec 2012.
- Nancy McIntosh-Ward resigned at the end of Q2 after a long tenure as CEO.
- Following the quarter end, the Trust's new Board and the Acting Chief Executive Natasha Petkovic-Jeremic took up their roles from 1 January 2013. Existing Board members Pam Fuller, Steven Thompson and Prof Charles Daugherty were reappointed and are joined by Phillip Meyer, and by Denise Church as the new Chair of the Board.
- The Board and Acting CEO are working through a large agenda of ideas and proposals, some of which have come from the Interim Board's review of the Trust's operations, plus the outcomes of strategic discussions and workshops initiated by the new Board.

Financial & KPI Commentary

- Visitations for the quarter at 20,385 were 12% (or 2,763) below the target of 23,148. Overall, total visitation for the half year to 31 Dec 2012 at 36,644 is 3,627 (or 9%) below the target of 40,271.
- Despite visitor numbers falling below budget, average revenue per visitor is \$34.17 for the quarter, comfortably above the target of \$30.66 per visitor. This is helping to reduce the cash losses and the subsequent impact on the Trust's diminishing cash reserves.
- Expenditure was contained below budget resulting in a small operating deficit of \$16k for the quarter (versus budgeted deficit of \$132k). This theme is replicated for the 6 months to 31 Dec 2012, with an actual operating deficit of \$234k versus a budgeted deficit of \$376k.
- Cash on hand is higher than forecast due to better than forecast trading performance.

Statement of Financial Performance

For the quarter ended 31 December 2012

\$000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	2012/13 Budget
Income	717	716	1,175	1,189	2,749
Expenditure	964	1,092	1,874	2,044	4,183
Operating Surplus*	-16	-132	-234	-376	-493
Operating Margin %	-2.2%	-18.4%	-19.9%	-31.7%	-17.9%

*before depreciation

Statement of Financial Position

As at 31 December 2012

\$000	YTD Actual	2012/13 Budget	2011/12 Actual
Current Assets	930	470	1,229
Non-current Assets	17,485	17,072	17,912
Current Liabilities	571	482	547
Non-current Liabilities	10,997	10,947	11,047
Equity	6,847	6,114	7,547
Current Ratio*	1.63:1	1.46:1	2.25:1
Equity Ratio**	37.2%	34.9%	39.4%

* Current Assets/Current Liabilities ** Equity/Total Assets

Statement of Cash Flows

For the period ended 31 December 2012

\$000	YTD Actual	2012/13 FY Budget	2011/12 Actual
Operating Cash Flow	-304	-578	-543
Investment Cash Flow	-39	-92	-83
Financing Cash Flow	-69	-100	-100
Net Cash Flow	-412	-770	-727
Closing Cash Balance	654	296	1,066

Profile – Karori Sanctuary Trust

The Trust was established with charitable status in 1995 with the primary aim of delivering on the vision of creating a wildlife sanctuary.



Entity Data

Established	1995	
Trustees	Denise Church Phillip Meyer Pam Fuller Professor Charles Daugherty Steven Thompson George Hickton	<i>Term expires:</i> 31 Dec 2015 31 Dec 2015 31 December 2012 (term extended pending Guardian elections) 31 December 2012 (term extended pending Guardian elections) 31 December 2012 (term extended pending Guardian elections) 31 August 2013
Acting CEO	Natasha Petkovic-Jeremic	Term up to 6 months, appointed effective 1 January 2013.
Balance date	30 June	
Number of FTE staff	30	
Website	http://www.visitzealandia.com/	
Type of entity	Charitable Community Trust	
LGA designation	Council Organisation	
By reason of	Council right to appoint three trustees	
Council interest	\$10.38 million limited recourse interest-free loan (<i>book value</i>)	
Type of interest	Limited recourse interest-free loan and land	

Report to the Wellington City Council CCO Performance Committee Second quarter ended December 2012

Preface

The Trust's new Board and the Acting Chief Executive Natasha Petkovic-Jeremic took up their roles from 1 January 2013. Existing Board members Pam Fuller, Steven Thompson and Prof Charles Daugherty are joined by Phillip Meyer, and by Denise Church as the new Chair of the Board.

This quarterly report is primarily intended as a reflection on the past quarter. However, given the significance of this period in advancing the partnership between the Sanctuary and the City Council, and following up on the review process, we add here some brief information on steps being taken by management and the Board in their first working month.

- The Board acknowledges and values the Council's support and commitment to a partnership approach, as confirmed in the Council's December 2012 decisions. We see this partnership as the critical foundation for the Sanctuary's future success. Board and management are committed to working with Council in a highly collaborative and open way.
- The new Board met informally with the Acting Chief Executive on 14 January, and held its first formal meeting for the year on 30 January, preceded by a walk around the various Trust buildings. Board members have been supplied with a comprehensive information pack that includes outputs from the Interim Board subcommittees, past SOI and business plan documents, and reports relating to the review process and council decisions in December 2012. All Board members are now up to speed with the critical issues, and the ideas and options identified so far.
- The January 30 Board meeting established the time frame and responsibilities for advancing significant steps and decisions.
- The Board will meet for a strategy workshop, facilitated by Phillip Meyer, on 13 February. This will be followed by a period of intensive work to confirm the strategic priorities and actions for 2013/14. At the same time, we will consider shorter term steps as required to secure the necessary outcomes for 2012/13 and advance the review findings and decisions.
- It is a critical priority for the Sanctuary and the Board to build and sustain good relationships with members, donors and supporters and key stakeholders. The Chief Executive and the Chair are setting out to talk with all key stakeholders by the end of February. Meetings so far have included formal and informal discussions with past Board Chairs and Trustees, with the Chair of the Guardians, and with donors and supporters. A letter from the new Chair to members and supporters was released with the January/February e-newsletter, and its contents follow for information.
- Given the complexity of the challenges, the Board wants to work through issues and options in a thorough and timely way. We are willing to brief the City Council at any time on issues, options and progress, and we expect there to be regular exchange between Trust management and council officers. The next quarterly report to Council is due in May 2013. However, we hope there will be an opportunity to brief Council, in March or early April, on the outcomes of our strategic discussions and the conclusions we have reached.

Dear members, volunteers and supporters

I am delighted to be part of the sanctuary team as the new Chair of the Trust Board. The Board is committed to build on the thorough work done over the last six months by many people including the Interim Board, the external reviewer, Guardians and members, and the Wellington City Council. Thanks go to everyone who has played a part in mapping out a sustainable way forward for the Trust.

Just before Christmas, the Wellington City Council confirmed its support for a new partnership approach with the Trust, including a significant funding commitment of \$2.1 m over the next three years. This is great news for all those committed to the Trust's conservation and education vision and our grateful thanks must go to the Mayor and Councillors.

The Council also confirmed the [Trust Deed](#), which sets out the future arrangements for governance of the sanctuary, including the role of the Guardians and a clear way for members' interests to be represented. Members will hear more about this shortly, with a call for nominations for election of members to the newly formed Guardians.

The Board's work is now underway at full pace. Pam Fuller, Steven Thompson and Charles Daugherty join us from the Interim Board and bring important long term knowledge of the sanctuary. Phillip Meyer, another new Board member, is an experienced company director and finance expert. We are being supported by our Acting Chief Executive Natasha Petkovic-Jeremic and her team while we work through a big agenda of ideas and proposals, flowing out of the Interim Board's review work. There are challenges for the sanctuary in this tough economic climate, but I am confident that working together with members and supporters we can tackle these.

At this time of the year, from my office window, I observe a constant stream of buses, large and small, and pedestrians following the footpath markers through Kelburn, all heading for the sanctuary. It is great to see one of Wellington's most special places actively shared with our international and New Zealand visitors, and uplifting to read the messages they leave about the quality of their experiences. Even so, it is the active support and involvement of our members and volunteers that remains at the heart of the sanctuary. Keeping you informed and involved is important, and I look forward to meeting many more of you over coming months.

With kind regards

Denise Church
Board Chair

KEY HIGHLIGHTS

- Breeding season continues
- 100% survival of tuatara juveniles in display enclosures.
- In December 2012, following completion of the review, Council recommended and approved the release of the funding set in the Long Term plan, and confirmed a new governance structure reflected in the amended Trust Deed.
- Council agreed to consult on including a total additional \$350K of funding for Zealandia in the 2013/14 and 2014/15 Annual Plans (\$175k each year) bringing the total grant to \$2.1m over three years.
- We continue working with Council on shared services for payroll and network administration.
- Over 1,000 students were hosted on 31 Tour bookings during November with overwhelmingly positive feedback
- Zealandia is the most highly ranked pay to enter attraction in Wellington on Trip Advisor.
- Zealandia attained Qualmark/Enviro Gold status during the quarter.

VISITORS / MEMBERSHIPS

Visits during the quarter were 20,385 and 12% (2,763) below target of 23,148. However a strong performance in cruise group business, revenue was actually 4% ahead of budget. Some of the visit shortfall is due to scanning and turnstile issues, whereby some member visits have not been recorded. This is currently being investigated.

Zealandia is the most highly ranked pay to enter attraction in Wellington on Trip Advisor.

Our Qualmark/Enviro Gold status was reconfirmed during the quarter when our annual review was undertaken.

EDUCATION

Rotary International and Zealandia officially opened the Zealandia Rotary Education House which provides a location for delivery of lessons and the school holiday ranger programmes for children aged 5-13 annually.

Rotary are also sponsoring new sleepover operation which will take place in the Visitor centre after hours.

The education manager from Wellington Zoo, Zealandia and Island bay Marine Centre got together as part of the Ministry of Education's LEOTC cluster. The aim was to discuss ways of working together including how we could market the sleepovers to schools as a package involving all 3 sites.

Education team welcomed 2330 students to its programmes (5% ahead of budget)

FLORA & FAUNA

Takahē



The takahe pair nested in December for the second year running since their release in February 2011. They are not expected to be successful, having had a history of nesting failures before being transferred to the sanctuary for advocacy purposes, but a camera placed at the nest entrance has once again allowed visitors to observe the incubating female during the day. They have proved to be a highlight for visitors

Tuatara



There has been 100% survival of tuatara juveniles in specially constructed display enclosures since November 2011, with visibility significantly better on warm days. Tuatara females have been observed digging nest burrows November/December to lay their eggs, a good sign that the habitat, even without seabirds, is conducive to good survival and breeding. A pair of tuatara were transferred to an enclosure from Southland Museum in December where they are being allowed to settle before being conditioned to handling for display purposes

Maud Island Frogs



Transfer of 100 Maud Island frogs undertaken early December as part of a MSc project. They have been released into a small fenced area that excludes kiwi but not mice to clarify the significance of both of these as potential predators of native frogs. A baby frog detected in the enclosure on the Te Mahanga track indicates successful breeding in this enclosure by at least 1 of the 3 pairs transferred there in October 2011.

Bellbirds, hihi, kakariki and kaka:

Monitoring of survival and nesting success of bellbirds, hihi, kakariki and kaka is ongoing. A late start to the breeding season for both hihi and kakariki means productivity is lower compared with previous years, but the number of kaka nesting inside the sanctuary continues to increase (27).

COMMUNITY LIAISON

In late October, our Conservation manager attended a workshop at the Taronga Zoo, Sydney Australia to describe management of weka on Kapiti and at Karori in 1995-9 and help determine appropriate actions for management of Lord Howe woodhen (related to weka) during proposed rat eradication on Lord Howe Island 2014. Trials will be undertaken on the island in 2013 replicating management of weka on Kapiti and at Karori.

Staff also gave a presentation about the challenges and successes in bird at the NZ Wildlife Vets annual conference held at Zealandia.

We have participated in a meeting of the Wellington regional Lizard network in early December to confirm a strategy for increasing lizard awareness and understanding in the Wellington Region.

VOLUNTEERS

Total volunteer hours for the December quarter were 8,304 hours excluding pro bono services.

FUNCTIONS/CAFE/RETAIL

A total of 1449 function guests visited this quarter. This was a mixture of meeting room hires, corporate dinners and conferences, Christmas parties and weddings. The wedding season started in October, with a total of 8 weddings held in December.

RESEARCH

Research being undertaken in the valley currently includes:

Institution	Qualification	Dates:	Topic/actions
Auckland University	-	ongoing	Epiphytic planting trials for Northern rata - attached to Hinau, rewarewa & pine in several locations
VUW	-	31/10/06-31/10/14	Effect of climate change on herbivore
DOC	-	Final survey due Feb 2013	Can exotic fish be eradicated successfully? Trials with rotenone undertaken Feb/March 2011
VUW	Post Doc/FORS T	July 2010-July 2013	Genetics of Little spotted kiwi
VUW	PhD	Feb 2011-2014	Inbreeding and ecology of Little spotted kiwi
VUW	PhD	Fieldwork finished	Year to year differences in numerical and spatial cognitive abilities in robins
VUW	PhD	Fieldwork finished	Spatial and temporal aspects of song variation in the forest bird community
VUW	PhD	18/5/09-31/12/2012	Acoustic survey of kiwi
Landcare/ecogecko	-	1/1/09-1/4/2013	Monitoring lizard population changes using artificial covers
Otago Univ	FORST	Fieldwork finished	Translocation outcome monitoring using new generation GPS tags (on kaka)
GNS Science	-	March 2012-April 2013	Development of a paleothermometer using bacterial remains for assessing past climate changes
VUW	MSc	March 2012-July 2013	Seasonal cycle of bacterial lipids in NZ lakes
VUW	PhD	May 2011-May 2013	Phenological patterns in fruit and frugivores in a NZ forest
Massey Univ	Post Doc	September 2012-February 2014	Genetic study of inbreeding rates of tree fuchsia at several sites with different levels of pollinating birds
VUW	PhD	September 2012-November 2014	Trophic interactions between a predator-parasite-host assemblage in NZ forests
VUW	MSc	September 2012-November 2013	Role of kiwi and mice in frog survival following transfer
WPI, USA		Jan-Mar 2013	Community relationship with kaka in their backyards
Zoological Society, London	-	May 2011-May 2014	Inbreeding, genetic drift and genetic management in hihi

MEASUREMENT AGAINST TARGETS IN SOI

High level outcome measures

Measure	Frequency	Dec Qtr Actual	Dec Qtr Target	Annual Target 2012/13
Visitation numbers	Quarterly	20,385	23,148	88,400
* Members units	Annually	annual	annual	5,139
Individual members				11,433
** Number of school student visits	Half yearly	4,104	3,375	6,751
Total native plant species in the Sanctuary	Annually	annual	annual	171
Total number of species to be planted	Annually	annual	annual	30
Total adventives plant species in the Sanctuary	Annually	annual	annual	211
Number of exotic plant species targeted for control / monitoring	Annually	annual	annual	34
Total native fauna species in the Sanctuary	Annually	annual	annual	43
Number of native fauna species released	Annually	annual	annual	3

** Numbers included in total visitation numbers above.

Cost effectiveness measures

Measure	Frequency	Dec Qtr Actual	Dec Qtr Target	Annual Target 2012/13
Average subsidy per visit.	Quarterly	0	0	\$ 3.96
Average revenue per visitation (excludes Council & Government grants and interest received).	Quarterly	\$34.17	\$30.66	\$ 27.05

Organisational health and capability measures

Measure	Frequency	Dec Qtr Actual	Annual Target 2012/13
Overall satisfaction (out of scale of 10)	Quarterly	9.4	≥ 9
Volunteer numbers	Quarterly	> 400	> 400
% of School visits rate their overall satisfaction as being good to excellent	Annually	≥ 98%	≥ 98%
Qualmark accredited	Two yearly	achieved	achieved

FINANCIALS

Financial Performance

- Total Revenue for the quarter was \$716K, this was slightly above budget. Trading income was \$27k below budget, but this was offset by an increase in Other Income of \$27K over budget. This was due to strong cruise ship tour numbers which reflect in our admissions and retail revenues.
- Total Expenditure for the quarter of \$733K this was \$116K better than budget. The difference was \$17K for Personnel costs and \$99K for Other costs. This was planned pest & plant control, visitor centre maintenance, market research and marketing events deferred until later in the year.
- For the quarter, deficit before depreciation at \$16k was \$116k better than budget. After depreciation deficit at \$452k was \$27k better than budget.

Financial Position

Cash at bank as at the end of December 2012 stood at \$654k, \$84k better than budget

Karori Sanctuary Trust Statement of Financial Performance For quarter ended 31st December 2012

	December Qtr Actual \$	December Qtr Budget \$	YTD Actual \$	YTD Budget \$	Full Yr Budget \$
REVENUE					
Trading Income	606,463	633,154	944,435	978,204	2,060,055
WCC Grant	0	0	0	0	350,000
Other Income	110,525	83,119	230,516	210,781	339,096
TOTAL REVENUE	716,988	716,273	1,174,951	1,188,985	2,749,151
EXPENDITURE					
Personnel Costs	436,788	453,734	849,418	876,591	1,772,563
Other Costs	295,875	394,506	559,876	688,763	1,469,996
TOTAL EXPENDITURE	732,663	848,240	1,409,294	1,565,354	3,242,559
Surplus / (Deficit) before Depn	(15,676)	(131,967)	(234,343)	(376,370)	(493,408)
Depreciation	231,443	243,391	465,468	478,664	940,000
Surplus / (Deficit)	(247,119)	(375,359)	(699,811)	(855,033)	(1,433,408)

Financial Position

Karori Sanctuary Trust Statement of Financial Position As at 31st December 2012

	Actual 31 December 2012 \$	Budget 31 December 2012 \$	Budget 30 June 2013 \$
<u>EQUITY</u>			
Accumulated Funds	<u>6,847,185</u>	<u>6,691,964</u>	<u>6,113,588</u>
<u>CURRENT ASSETS</u>			
Cash and Bank	654,347	469,306	295,971
Accounts Receivable	66,274	25,000	40,000
Prepayments	131,301	135,306	54,126
Stock on Hand	<u>77,724</u>	<u>80,000</u>	<u>80,000</u>
TOTAL CURRENT ASSETS	929,646	709,612	470,097
<u>NON CURRENT ASSETS</u>			
Fixed Assets	<u>17,485,082</u>	<u>17,466,730</u>	<u>17,071,994</u>
TOTAL NON CURRENT ASSETS	17,485,082	17,466,730	17,071,994
<u>TOTAL ASSETS</u>	<u>18,414,728</u>	<u>18,176,343</u>	<u>17,542,091</u>
<u>CURRENT LIABILITIES</u>			
Unearned Income	213,389	150,000	150,000
Holiday Pay Accrued	65,694	109,718	109,718
Creditors	170,549	120,000	114,126
GST to Pay / (GST Refund)	21,220	(364)	(363)
Grants Received in Advance	0	0	0
CTW	<u>100,000</u>	<u>108,333</u>	<u>108,333</u>
TOTAL CURRENT LIABILITIES	570,853	487,687	481,814
<u>TERM LIABILITIES</u>			
Community Trust Loan	650,000	650,002	600,000
Limited Recourse WCC Loan	<u>10,346,689</u>	<u>10,346,689</u>	<u>10,346,689</u>
TOTAL TERM LIABILITIES	10,996,689	10,996,691	10,946,689
<u>TOTAL LIABILITIES</u>	<u>11,567,543</u>	<u>11,484,378</u>	<u>11,428,503</u>
<u>NET ASSETS</u>	<u>6,847,185</u>	<u>6,691,965</u>	<u>6,113,588</u>

Karori Sanctuary Trust
Statement of Cash Flows
For quarter ended 31st December 2012

	December Qtr Actual \$	December Qtr Budget \$	YTD Actual \$	YTD Budget \$	Full Yr Budget \$
Operating Activities					
Operating Surplus / (Deficit)	(5,047)	(122,156)	(223,219)	(362,343)	(460,276)
Working Capital Movement	(142,451)	(144,958)	(80,611)	(137,117)	(76,811)
Net Cash from Operating Activities	(147,498)	(267,114)	(303,830)	(499,460)	(537,087)
Investing Activities					
Purchase of Assets	(35,722)	(26,500)	(38,559)	(33,400)	(100,000)
Net Cash from Investing Activities	(35,722)	(26,500)	(38,559)	(33,400)	(100,000)
Financing Activities					
Interest Received	(196)	624	10,087	7,185	7,601
Interest Expense	(10,432)	(10,435)	(21,211)	(21,212)	(40,735)
Repayment of CTW Loan	(33,333)	(24,999)	(58,332)	(49,998)	(100,000)
Net Cash from Financing Activities	(43,961)	(34,810)	(69,456)	(64,025)	(133,134)
Net Increase / (Decrease) in Cash	(227,181)	(328,423)	(411,845)	(596,885)	(770,221)
Net Cash at Beginning Cash at End of Period	881,528 654,347	797,730 469,307	1,066,192 654,347	1,066,192 469,306	1,066,192 295,971