

**Report to the Wellington City Council
Monitoring Committee
First quarter ended 31 December 2008**

KEY HIGHLIGHTS



- The Prime Minister and the Mayor launched the new consumer brand at a successful industry function on the 2 December. The brand will be rolled out over the next 12 months. Mitsubishi Motors New Zealand four-year partnership was also launched at the same function.
- First tuatara nest was found in the Sanctuary - being the first eggs found on mainland in New Zealand. The news have travelled all over the world and as far a field as Alaska and Afghanistan.
- BBC with Stephen Fry came to the sanctuary to film tuatara as part of their five-part “Last Chance to See” TV series about threatened species and various techniques conservationists used to help them survive. This series will be shown in prime time on BBC2 late next year. The news made front page in DomPost.
- WCC has agreed to \$1.9m additional loan and transitional funds to assist the Visitor & Education Project. The application to Lottery for further funding to cover contingency has been declined. The reasons given were that the visitor centre is not a priority for them and because of the level of funding Lottery has provided to us in the past. Fundraising effort continues.
- Suspension bridge has been completed and was launched by the Funder in November. The bridge has been a very popular addition to the visitor experience.



Stephen Fry at ZEALANDIA-Karori Sanctuary

VISITOR AND EDUCATION CENTRE PROJECT

- The project is now on track with new revised practical completion date early April 2010.

VISITORS/MEMBERSHIPS

- Visitor numbers for the quarter at 17,121 were higher than budget of 14,370 but lower than last year of 19,010. The budget was set lower than last year because it was expected that site work of the Visitor Centre project would have an impact on visitor numbers.
- Memberships as at the end of September 2008 at 5,565 as compared to end of year budget of 5,400.

MARKETING, MEDIA, PROMOTION

- The new consumer brand, ZEALANDIA – The Karori Sanctuary Experience, was launched at an event in early December. The event was attended by around 100 representatives from the New Zealand tourism industry and business sector. The Prime Minister, John Key, and Wellington Mayor, Kerry Prendergast, were part of the official party to unveil the new brand. The new brand was well received by the tourism industry though there has been some negative local publicity.
- We made the headlines around the world with the discovery of the first tuatara nest seen on mainland New Zealand in 200 years. Tourism New Zealand offices around the world also picked up the story around their offshore channels. The story made it to the front page of Saturday's Dominion Post and also received good coverage in the NZ Herald.
- December has actually been one of our best ever months for positive media coverage, especially in terms of our profile in the international and FIT markets. As an indication of how often ZEALANDIA-Karori Sanctuary was mentioned in the media anywhere in the world, we were notified of over 80 media mentions through Google Alerts alone.
- The major international media syndicate Associated Press (AP)'s regional office (based in Sydney) sent a reporter over to write about our night tour and our involvement in kiwi restoration. The article appeared in dozens of the syndicate's leading newspapers in the USA, UK, Asia and Australia.
- We were covered in the Air New Zealand in-flight magazine Kia Ora as part of a Wellington feature and given a full feature piece in the Virgin Blue in-flight magazine Voyeur.
- There was one organised media visit to the sanctuary in December - a significant one. On the last day of the year, we welcomed a film crew from the BBC who spent four hours filming tuatara as part of a new series called *Last Chance To See* fronted by respected UK author/actor/comedian Stephen Fry and renowned zoologist Mark Carwardine. We will appear in the fourth 1-hr programme along with Codfish Island and Trounson Kauri Park. The programme will air in the UK in late 2009. There will also be supporting web material, including additional footage and photos taken here in the sanctuary.

TOURISM ACTIVITIES

- A total of 267 pre-book pax (through a number of inbounders) from cruise ships went on tours in the quarter. In addition there were a number of FIT who came by other means - bus and taxi. A good result overall. The cruise ship season started late October and tails off in early March.
- We were involved with Air New Zealand's 'Grabseat' for the Grabseat Weekender. Visitors to the website could purchase a Wellington package including return flights, 1 night accommodation at the Ibis and general admission to Karori Sanctuary and / or Te Papa. Air New Zealand purchased 160 Sanctuary General Admission tickets for the promotion. We will continue to further our relationship with Air New Zealand.
- Business Development Manager met with 16 inbound operators in Auckland. Overall the interest in ZEALANDIA-Karori Sanctuary was high and there are some companies adding us as optional activities and prepared to consider us for scheduled tours in the future. We will be gearing up for TRENZ in May - the Trade Show for buyers/sellers in the tourism market.
- A review of our domestic trade promotional channels has commenced to narrow down the most appropriate and effective channels to utilize.
- We introduced free Ranger Talks for weekends and Public Holidays until March. Talks are lead by volunteer Ranger Guides and are designed to be a short educational introduction to our two most popular diurnal species – kaka and tuatara.

EVENTS

Events held or participated for the quarter include

- Freddo Frog Roadshow (partnered with Cadbury)
- Scenes from 'Cold Comfort Farm' -a group of actors from Stagecraft entertained visitors with scenes from their upcoming play 'Cold Comfort Farm' on our Heritage Lawn
- 'Wine & Wander' with Wellington Regional Wines
- Cellar Room Wine Tasting Fundraiser
- Wellington Christmas Parade
- Johnsonville Christmas Parade
- Brand Launch and Mitsubishi Sponsorship Announcement
- Members' Christmas Shopping Night
- Suspension bridge opening

VISITOR EXPERIENCE/FACILITIES DEVELOPMENT

- Suspension Bridge and associated tracks were complete
- A programme of vegetation and track clearance has commenced.

FAUNA TRANSFER AND MONITORING

Bellbirds



Bellbirds are nesting successfully. 46 fledglings banded so far this season. One pair has laid its 4th clutch eggs. Transmitters will be trial on a sample of juveniles to allow us to track dispersal and survival.

Hihi



Hihi nesting is a lot more challenging. All first clutch nests have finished producing a total of only 14 fledglings (perhaps due to erratic spring temperatures). A total of 34 chicks have been banded so far. There are three nests with their third clutches underway. A student from Massey University is about to start researching disease in the hihi nestlings – since about 20% die each season this will be useful information.

Kaka



A total of 26 birds have been banded from a total of 8 nests. Of these 17 have fledged.

A kaka banded here as a juvenile last season has been identified at Waverley and a second in. At least 2 unbanded kaka have arrived recently from elsewhere.

We have started to insert microchips into the chicks– the intention is to trial using a datalogger at the feeders to record which birds are using them and when, providing information about activities after dark when we can't identify them.

Kiwi



An injured little spotted kiwi which suffered karaka poisoning on Kapiti Island was released at the Sanctuary from Mt Bruce. He is recovering well and will be released into Sanctuary proper if it continues the current progress.

Robins



Resurvey and banding of pairs in part of the Sanctuary has confirmed at least twice as many territories in the area compared with the number formerly present, indicating the robin population is still increasing.

Shags



Of the Wellington resident shag species, four out of five species are regularly observed in the sanctuary including around 20 pairs of little shags nesting up to 9 Pied shags roosting in the valley. The shags are very visible and are a great attraction.

BIOSECURITY

Animal pests

Areas of potential risk from overhanging or unstable vegetation on the outside of the fence have been surveyed and cleared.

Survey of areas of slumping and potential risk at the base of the fence has also been undertaken and remedial work completed.

Fish eradication

Staff from Waikato University spent days and nights in early November fishing the lower lake. They caught fewer fish than previous years but females were gravid so timing was good to reduce the number of young produced in the next few months and thus potentially reduce the chance of an algal bloom

occurring (the smallest fish have the most impact on the Zooplankton and as a consequence the bloom). Monitoring the lake over the next few months will reveal what impact it has had on the occurrence of the bloom.

Weed pests

The weed team of 2 has started work, spending time abseiling above Lake Road to address weed issues here as a priority, before moving to the downhill slopes above the lake.

EDUCATION

High satisfaction rate continue with particularly solid support from secondary schools.

Of strong interest is that 96.7% of teachers rated the relevance of the programme as excellent or very good. In addition 96.4% of teachers rated the overall quality of the programme excellent or very good.

An inquiry-based learning approach teachers resource that promotes active learning is being developed specifically to coincide with the addition of the new visitor/education centre.

Planning has commenced with WCC Parks & Gardens to undertake more planting and reserve care for 2009.

FINANCIALS

- For the quarter, revenue at \$534,950 was above budget and expenditure at \$552,711 was below budget giving a deficit of \$17,761 as compared to a budget deficit of \$54,459.
- The favourable budget quarter results were primarily due to:
 - higher than anticipated visitor numbers
 - higher donations
 - lower overall expenditure due to timing issues and delay of the visitor centre project

The above were partly offset by:

- the delay in receiving the grant for the suspension bridge construction due to delay in the project and
 - lower retail sales
-
- Bank balances as at 31 December 2008 stood at \$3,301,599. Trade creditors stood at \$989k, and Community Trust loan repayment current portion stood at \$108k. The cash surplus is required as various works relating to the visitor Centre project pick up its momentum. Council's operational grant for the year has already been drawn down and included in this cash surplus.
 - No adjustments have been made to opening balances for unearned income (relating to member subscriptions), holiday pay accrued, and stock as these are considered immaterial.
 - Current ratio stood at 2.8.

Measurement against Targets in SOI.

8.1 High level outcome measures

Measure	Frequency of measure	Annual Target 2008/09	December Quarter Target	December Quarter Actual
Visitation numbers	Quarterly	63,000	14,370	17,121
Members units	Quarterly	5,400	-	5,565
No of school student visits * Outreach	Quarterly	5,500	1,670	1,364 500
Total native plant species in the Sanctuary	Annually	170	annual	annual
Total number of species to be planted	Annually	15	annual	annual
Total adventives plant species in the Sanctuary	Annually	212	annual	annual
Number of exotic plant species targeted for control/monitoring	Annually	44	annual	annual
Total native fauna species in the Sanctuary	Annually	42	annual	annual
Number of native fauna species released	Annually	4	annual	annual
New capex - Suspension bridge		Complete		Complete

* Student numbers included in total visitation numbers above

8.2 Cost effectiveness measures

Measure	Frequency of measure	Annual Target 2008/09	December Quarter Target	December Quarter Actual
Average subsidy per visitation (based on WCC grant accounted for in first quarter).	Quarterly	\$5.60	nil	nil
Average subsidy per visitation (Based on WCC grant averaged over year).	Quarterly	\$5.60	\$6.14	\$5.15
Average revenue per visitation (excludes Council & Government grants)	Quarterly	\$25.14	\$36.84	\$31.25

8.3 Organisational health and capability measures

Measure	Frequency of measure	Target 2008/09	December Quarter
Staff turnover (not proposed as a measure during transition to new regime)			
% of visitors surveyed rate their visit as being good to excellent	Quarterly	>95%	98.3%
Volunteer numbers	Quarterly	>400	425
% of School visits rate their overall satisfaction as being good to excellent	Half yearly	>98%	100%
Performance appraisals completed	Annually	100%	2007/8 complete
Qualmark accredited	Two yearly	Achieved	Two yearly

**Karori Wildlife Sanctuary
Statement of Financial Performance
For the quarter ended 31 December 2008.**

	Quarter Actual	Quarter Budget	Actual YTD	Budget YTD	Annual Budget
REVENUE	\$	\$	\$	\$	\$
Trading Income	276,815	258,603	430,436	379,035	828,874
WCC Grant	0	0	353,000	353,000	353,000
Other Grants	161,204	187,500	267,531	368,000	437,094
Government Grant	0	0	0	0	4,597,532
Sponsorship & Donations	30,721	21,000	61,717	35,000	70,000
Investment Income	60,899	60,901	60,903	60,905	60,907
Other Income	5,310	1,449	89,525	59,565	187,140
TOTAL REVENUE	534,950	529,453	1,263,112	1,255,505	6,534,547
EXPENDITURE					
Employee Costs	295,736	291,517	570,200	587,814	1,185,681
Other Operating Expenses	181,767	212,033	333,155	399,742	1,247,916
Depreciation	48,681	52,643	97,160	104,045	209,510
Interest	26,528	27,719	53,135	54,368	95,020
TOTAL EXPENDITURE	552,711	583,912	1,053,650	1,145,969	2,738,127
OPERATING SURPLUS/DEFECIT	-17,761	-54,459	209,462	109,536	3,796,420

Karori Sanctuary
Statement of Financial Position
As at 31 December 2008

	31/12/08	Budget 31/12/08	Annual Budget
	\$	\$	\$
<u>EQUITY</u>			
Accumulated Funds	<u>4,975,509</u>	<u>4,770,072</u>	<u>8,456,955</u>
<u>CURRENT ASSETS</u>			
Cash and Bank	3,301,599	3,207,158	3,803,828
Capital Fundraising a/c	0		
Accounts Receivable	46,029	5,505	5,505
Stock on Hand	<u>22,827</u>	<u>29,679</u>	<u>29,679</u>
TOTAL CURRENT ASSETS	3,370,455	3,242,342	3,839,012
<u>NON CURRENT ASSETS</u>			
Existing Fixed Assets	2,971,132	2,960,051	3,060,586
Visitor Centre building	<u>4,077,288</u>	<u>6,484,156</u>	<u>11,769,849</u>
TOTAL NON CURRENT ASSETS	7,048,420	9,444,207	14,830,435
<u>TOTAL ASSETS</u>	<u>10,418,875</u>	<u>12,686,549</u>	<u>18,669,447</u>
<u>CURRENT LIABILITIES</u>			
Creditors	980,963	785,585	1,212,966
Grants Received in Advance	5,998		0
Holiday Pay Accrued	87,059	83,663	83,663
GST to pay	-103,296	1,745	1,745
CTW	108,333	108,333	108,333
Capital fundraising	0		0
Unearned Income	<u>123,623</u>	<u>115,022</u>	<u>115,022</u>
TOTAL CURRENT LIABILITIES	1,202,680	1,094,348	1,521,729
<u>TERM LIABILITIES</u>			
Community Trust Loan	1,050,000	1,050,000	1,000,000
WCC Loan	<u>3,190,686</u>	<u>5,772,130</u>	<u>7,690,763</u>
TOTAL TERM LIABILITIES	4,240,686	6,822,130	8,690,763
<u>TOTAL LIABILITIES</u>	<u>5,443,366</u>	<u>7,916,478</u>	<u>10,212,492</u>
<u>NET ASSETS</u>	<u>4,975,509</u>	<u>4,770,071</u>	<u>8,456,955</u>

**Karori Sanctuary Trust
Statement of Cashflow at 31 December 2008**

	Actual Dec Qtr	December Budget	Actual Dec YTD	YTD Budget	Annual Budget
	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Other income	419,795	471,103	1,042,322	1,071,664	6,233,998
Interest received	60,899	58,350	141,987	113,841	230,547
Net GST received	-39,067		-44,725	0	
Cash was applied to:					
Payments to suppliers and employees	-462,631	-503,550	-935,913	-987,557	-2,006,216
Interest cost	-24,761	-27,719	-50,052	-54,368	-95,020
Net GST Paid					
NET CASH FLOW OPERATING	-45,765	-1,816	153,619	143,580	4,363,309
CASH FLOW FROM INVESTING ACTIVITIES					
Cash was applied to:					
Purchase of plant and equipment	-198,405	-161,000	-296,090	-231,000	-437,000
Visitor Centre	-1,012,763	-2,029,353	-1,572,152	-3,737,403	-9,023,096
NET CASH FLOW FROM INVESTING ACTIVITIES	-1,211,167	-2,190,353	-1,868,243	-3,968,403	-9,460,096
CASH FLOW FROM FINANCING ACTIVITIES					
Cash was provided from:					
WCC Loan	1,013,632	2029353	1,498,921	3737403	5,656,036
Visitor & Education Centre	0		0		
Cash was applied to:					
Repayment of loan	-25,000	-25,000	-50,000	-50,000	-100,000
NET CASH FLOW FROM FINANCING ACTIVITIES	988,632	2,004,353	1,448,921	3,687,403	5,556,036
<u>Net Increase/(Decrease) In Cash</u>	-268,301	-187,816	-265,703	-137,420	459,249
Opening cash	3,569,897	3,394,974	3,567,299	3,344,578	3,344,578
Closing cash	3,301,596	3,207,158	3,301,596	3,207,158	3,803,827
CASH AND CASH EQUIVALENTS COMPRISE					
Cash and bank balances	3,301,596	3,207,158	3,301,596	3,207,158	3,803,827