

## **Report to the Wellington City Council CCO Performance Committee Third quarter ended 31 March 2009**

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### **KEY HIGHLIGHTS**

- The first baby tuatara hatched in the wild on mainland New Zealand for at least 200 years was found at the sanctuary. The news has been picked up all around the world.
- Another 77 Giant weta were transferred from Mana Island after two nights searching the extensive track network by 6 staff and volunteers
- A recent survey on tuatara indicated a significant increase in weight for both males and females and that the survival rate exceeds that for any other translocation with at least 89% survival of males and 77% survival of females.
- A successful cruise season with pre-book tours totaled 1,147 passengers in addition to cruise visitors who came on their own.
- Our Annual Appeal raised \$18,000 from the street collection as compared to last year at \$13,000. Including money raised through online auctions and in kind services, the total raised to almost \$26,500. About 180 volunteer collectors took part.

### **VISITOR AND EDUCATION CENTRE PROJECT**

- The project as a whole is progressing well with some work behind schedule and some work ahead of schedule. Fletcher is confident that this is only temporary while they are re-sequencing the programme. They plan to be back on programme with installation of the roof by the end of July 2009.

## VISITORS/MEMBERSHIPS/EVENTS

- Visitor numbers for the quarter at 21,396 were below the budget of 23,550 while year to date visitor numbers at 48,476 were above budget of 47,760. The impact of construction works through the peak holiday period together with no function bookings were taken has affected the visitor numbers. However, international visitor numbers have increased 45% from last year.
- Membership as at the end of March 2009 was 5,544 as compared to the end of year budget of 5,400.
- Events held or participated for the quarter include
  - ❖ A sell-out Earth Hour night walk (100 visitors) and tales by torchlight with Fairy Trina (80-100 visitors)
  - ❖ Every Saturday & Sunday in January: Free boat rides, Ranger Talks and activity packs for kids
  - ❖ Lizard Day. Talk to the experts.
  - ❖ Special Valentines activities including Storytelling with Fairy Trina, free boat rides & 'birds and the bees' talks about the curious mating habits of native animals.
  - ❖ Twilight Opening hours every Friday, Saturday & Sunday until the end of March
  - ❖ Joint promotion with the cable car in February & March.
  - ❖ Wine & Food event with a customized night tour.
  - ❖ Nordic Walking Week
  - ❖ Karori Lions Karnival with stall promoting sanctuary membership to the local community
  - ❖ 'The Big Dig' in Island Bay
  - ❖ Children's Day. Kids get in for free.
  - ❖ Twilight poetry readings
  - ❖ *Clowning Around* event day

## MARKETING, TOURISM, MEDIA, PROMOTION

### Brand Awareness

- The new brand - ZEALANDIA: The Karori Sanctuary Experience - is being rolled out gradually in the local & domestic markets but the new brand is being used in all international trade communications and has received very positive feedbacks.

### Media

- Media in March mostly focused on the discovery of our first baby tuatara. The news was picked up widely around the world. Notable media hits were: The Independent, Mail on Sunday, The Guardian, Daily Telegraph, The Times, and Metro in the UK. Yahoo news, The Australian, Canberra Times, Sydney Morning Herald, Brisbane Times, and 9 News in Australia. And the New York Times, USA Today, Washington Post, Fox News, CBS and Discovery Channel in North America. These reports do a lot for our credibility in key offshore markets, and also for our tourism stakeholders.
- The release of Cook Strait giant weta created good media coverage for us.
- The chief executive was also being interviewed on Radio Hong Kong Morning Brew programme about the sanctuary while she was on leave.

## **Tourism activities**

### ***Product development***

- A review has commenced on all our products with the objective of developing a quality experience which is consistent with the visitor centre development. Input has been sort from a variety of experts including Positively Wellington Tourism, other attraction operators and customer surveys.

### ***Domestic market***

- The first draft of the domestic marketing strategy in preparation for the visitor centre opening has been done and brainstormed with Positively Wellington Tourism (PWT). This will be updated as part of the 2009/10 business plan.

### ***International market***

- Year to date international numbers have increased by 45% from last year. It has also been a successful cruise season with pre-book tours totaled 1,147 passengers in additional to visitors who came via other means.
- Updating of our product rates for the 2009/10 season in preparation for TRENZ in June, the Positively Wellington inbound day in Auckland, and the Australian market visit were the main focuses.
- The Australian market visit went well - providing 18 appointments with a series of tour operators and inbound tour companies. The main purpose of the visit was to further develop relationships with key operators such as Scenic Tours, Kirra Tours, AAT Kings, ANZCRO and Flight Centre. ZEALANDIA is an optional activity with many of the coach companies and gains a moderate amount of business. The goal is to eventually be included on their scheduled itinerary so all visits to Wellington include a visit to ZEALANDIA. Feedback has been positive and encouraging about the new visitor & education centre, especially with large groups. In addition to the existing clients there were appointments with companies that have just started selling New Zealand.
- Preparations are well underway for our next Qualmark assessment scheduled for mid May 2009.

## **VISITOR EXPERIENCE/FACILITIES DEVELOPMENT**

- Assessment of all in-valley track is being carried out with the objective of developing and implementing a programme of track upgrades or maintenance before the visitor and education centre is open.

## **EDUCATION**

- Discussions are underway to look at hosting a short term Pasifka Teacher as part of the Royal society Teacher Fellowship Program with the objective to investigate integrating Pasifka perspectives more fully into our program.
- Resource development has begun to link the resource with the new visitor and education centre experience and to update material in line with the new curriculum. The new material is going to be based on a social inquiry model with a predominantly social science focus however it will have cross curricula elements as well.

- We have been working with Samuel Marsden Collegiate, Karori West Normal School and Wellington City Council on GW's 'Take Action for Water' project. This involves water quality testing in the clean streams within the sanctuary and the restoration of the Karori stream at Karori Park.

## **FAUNA TRANSFER AND MONITORING**

### **Bellbirds**



92 chicks have fledged from 8 known pairs. One pair successfully raised 5 clutches with at least 18 fledglings, a record for the Sanctuary. Transmitters have been attached to 12 juveniles as a trial to allow us to track dispersal and survival.

### **Hihi**



Nesting is finished with a total of 50 chicks fledging successfully. As with bellbird, 3 young females and 1 male have had transmitters attached to allow us to track dispersal and survival rates. 9 juvenile hihi (4 female) have been transferred from Mt Bruce to date, and one young male has been caught and sent to Mt Bruce to be recruited into their breeding population. A student from Massey University has undertaken research on disease in the hihi nestlings – since about 20% die each season this will be useful information.

## **Kaka**



48 juvenile kaka have been banded to date but there are still more youngsters and at least two adults that need to be caught and banded.

We have been approached by Otago University to participate in a collaborative radio-telemetry study trialling GPS units on kaka from October 2009 for 3 years – this could provide much valuable information about dispersal and habitat use to complement our observations at supplementary feeders that show a marked seasonality of use, with kaka preferring natural foods when they are abundant.

## **Giant weta**



77 Giant weta were transferred from Mana Island on 28th February after two nights searching the extensive track network by 6 staff and volunteers. Six of the 49 females and 4 of the 28 males had transmitters attached to enable staff to monitor survival and movements as in previous years and, true to form some have already shifted well away from their release sites, while others have been observed getting on with mating. Each animal is identified by a tiny numbered tag attached to the neck shield so that when they are found they can be identified.

## **Frogs**



10 froglets (2 clusters) were found during the search of the enclosure in mid March. They have been released into a separate enclosure after spending time in an incubator at Victoria University, until their tails had disappeared. Now that we have established that breeding is occurring in the enclosure, we will leave it undisturbed for two breeding seasons to see if it is possible for the juveniles to survive in the presence of adults – if so then we will probably split the frogs into two enclosures to reduce densities and spread any risk.

## **BIOSECURITY**

### **Weeds**

- The weed team have done an excellent job in removing high priority weed species along the Lake Road.

### **Pest animals**

- The first audit has been undertaken with no pests detected except quite low numbers of mice as compared to this time last year – a good outcome for the native invertebrates and reptiles. The second will be undertaken in April/May.

### **Fish**

- Echosounder surveys of the lower lake by NIWA shows that electrofishing by the University of Waikato has successfully culled perch numbers in late February. However, there were higher numbers of fish culled during February than in the previous year suggesting that the cull in November had little impact. We await the analysis of the findings by the University.

## **FUNDRAISING**

Fundraising continues. Campaigns included-

- Sanctuary Wine Fundraiser
- Annual Appeal 2009
- Various 'sellable items' such as seats, tiles etc

- Sponsorships.

## FINANCIALS

- While the Trust has had permission from its auditors to treat capital grants as operating revenue, following comments from the CCO Performance Committee and discussions with the officials, the financials format for this quarter has been adjusted to separate “government grant” and ‘major grants for capital expenditure” from “opex” revenue. As a result, the annual budget shows that the Trust makes a \$1m operating loss for the year before “capex” grants. This is as expected because the opex grants agreed to by the Council for 2008/9 to 2010/11 were based on the Trust’s operating cash flow requirement and not operating deficit requirement. The operating loss as shown is funded by the following:
  - cash surplus from previous year
  - funds from depreciation as some assets are not due for replacement

The forecast cash flow and Balance Sheet in the Trust SOI show that the Trust will have sufficient reserves to manage the negative cash flows through this period.

- For the quarter, operating revenue at \$282,654 was below the budget of \$429,836 (due to a one off adjustment made in March to transfer the year to-date capital grants out of operating revenue) and total expenditure at \$530,340 was below budget of \$655,251 giving a deficit of \$247,686 as compared to the budget deficit of \$225,415. The one off adjustment has distorted the quarter result. Prior to this adjustment the operating revenue and operating deficit would have been \$488,821 and \$41,519 respectively.
- After the inclusion of capital grants there was a deficit of \$3,018 for the quarter as compared to a budget surplus of \$2,588,120 because of the delay in receiving government grant.
- The unfavourable operating quarter results were primarily due to:
  - A one off adjustment in March transferring capital grants out of operating grants as requested by CCOP Committee
  - Lower interest income because of the fall in interest rates on deposits

The above were mostly offset by:

- Higher than budgeted donations and fundraising income
- Higher than budgeted visitor revenue
- Lower overall expenditure due to timing issues and delay of the visitor centre project
- The bank balances as at 31 March 2009 stood at \$3,507,841. Trade creditors stood at \$841k, and the Community Trust loan repayment current portion stood at \$108k. The cash surplus is required for the visitor and education centre project and operational funds for subsequent years.
- 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.

## Measurement against Targets in SOI.

### High level outcome measures

Measure	Frequency of measure	Annual Target 2008/09	March Quarter Target	March Quarter Actual
Visitation numbers	Quarterly	63,000	23,550	21,396
Members units	Quarterly	5,400	-	5,544
No of school student visits * Outreach	Quarterly	5,500	1,330	1,102 500
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

### Cost effectiveness measures

Measure	Frequency of measure	Annual Target 2008/09	March Quarter Target	March 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	\$3.75	\$4.12
Average revenue per visitation (excludes Council, Capex & Government grants).	Quarterly	\$21.81	\$18.25	\$13.21
Average revenue per visitation (excludes Council, Capex & Government grants and exclude one off adjustment in the quarter).	Quarterly	\$21.81	\$18.25	\$22.85

### Organisational health and capability measures

Measure	Frequency of measure	Target 2008/09	March 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%	95.7%
Volunteer numbers	Quarterly	>400	425
% of School visits rate their overall satisfaction as being good to excellent	Half yearly	>98%	N/A
Performance appraisals completed	Annually	100%	2007/8 complete
Qualmark accredited	Two yearly	Achieved	Two yearly



**Karori Sanctuary Trust**  
**Statement of Financial Performance**  
**For the quarter ended 31 March 2009**

	Actual \$	Quarter Budget \$	YTD Actual \$	YTD Budget \$	Annual Budget \$
<b>OPERATING REVENUE</b>					
Subscriptions & Admissions	294,687	252,189	651,561	524,224	644,874
Grants, Donations, Sponsorships	-110,113	61,547	219,134	254,547	297,094
Interest	38,712	58,350	180,700	172,191	230,547
WCC operational grant	0	0	353,000	353,000	353,000
Retail Revenue	49,819	55,000	123,382	162,000	184,000
Other Income	9,549	2,750	17,988	9,379	17,500
<b>TOTAL OPERATING REVENUE</b>	<b>282,654</b>	<b>429,836</b>	<b>1,545,765</b>	<b>1,475,341</b>	<b>1,727,015</b>
<b>OPERATING EXPENDITURE</b>					
Conservation & Facility Management	33,323	76,530	74,403	125,817	261,170
Visitor Facility Develop' t & Maint'ce	23,895	22,348	52,361	52,699	198,320
Community & Visitor	59,978	116,122	223,750	295,230	494,642
Cost of Goods Sold	36,901	38,865	83,879	100,725	124,590
Admin & Management	19,392	27,923	72,251	107,059	169,194
Personnel Costs	282,035	291,958	852,235	879,772	1,185,681
Interest on Loans/bank charges	26,324	28,770	79,459	83,138	95,020
<b>TOTAL OPERATING EXPENDITURE</b>	<b>481,850</b>	<b>602,516</b>	<b>1,438,339</b>	<b>1,644,440</b>	<b>2,528,617</b>
<b>OPERATING SURPLUS or DEFECIT before Depreciation &amp; Capital Grants</b>					
	<b>-199,196</b>	<b>-172,680</b>	<b>107,425</b>	<b>-169,099</b>	<b>-801,602</b>
Depreciation	48,490	52,735	145,650	156,780	209,510
<b>OPERATING SURPLUS/DEFECIT</b>	<b>-247,686</b>	<b>-225,415</b>	<b>-38,225</b>	<b>-325,879</b>	<b>-1,011,112</b>
<b>CAPITAL GRANTS</b>					
Other Grants	244,668	0	244,668	210,000	210,000
Government grant	0	2,813,535	0	2,813,535	4,597,532
<b>SURPLUS/DEFECIT</b>	<b>-3,018</b>	<b>2,588,120</b>	<b>206,443</b>	<b>2,697,656</b>	<b>3,796,420</b>

**Karori Sanctuary Trust  
Statement of Financial  
Position**

**As at 31 March 2009.**

	31/03/09	Budget 31/03/09	Annual Budget
	\$	\$	\$
<b>EQUITY</b>			
Accumulated Funds	<b>4,972,491</b>	<b>7,358,192</b>	<b>8,456,955</b>
<b>CURRENT ASSETS</b>			
Cash and Bank	3,507,841	5,248,077	3,803,828
Accounts Receivable	32,790	5,505	5,505
Stock on Hand	22,827	29,679	29,679
<b>TOTAL CURRENT ASSETS</b>	<b>3,563,458</b>	<b>5,283,261</b>	<b>3,839,012</b>
<b>NON CURRENT ASSETS</b>			
Fixed Assets	2952633	2,913,316	3,060,586
Visitor Centre building	6062260	8,971,725	11,769,849
<b>TOTAL NON CURRENT ASSETS</b>	<b>9,014,893</b>	<b>11,885,041</b>	<b>14,830,435</b>
<b>TOTAL ASSETS</b>	<b>12,578,351</b>	<b>17,168,302</b>	<b>18,669,447</b>
<b>CURRENT LIABILITIES</b>			
Creditors	841,723	785,585	1,212,966
Grants Received in Advance	2,800		0
Holiday Pay Accrued	87,059	83,663	83,663
GST to pay	-58,416	1,745	1,745
CTW	108,333	108,333	108,333
Capital Fundraising	0	0	0
Unearned Income	123,624	115,022	115,022
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,105,123</b>	<b>1,094,348</b>	<b>1,521,729</b>
<b>TERM LIABILITIES</b>			
Community Trust Loan	1,025,000	1,025,000	1,000,000
WCC Loan	5475737	7,690,763	7,690,763
<b>TOTAL TERM LIABILITIES</b>	<b>6,500,737</b>	<b>8,715,763</b>	<b>8,690,763</b>
<b>TOTAL LIABILITIES</b>	<b>7,605,860</b>	<b>9,810,111</b>	<b>10,212,492</b>
<b>NET ASSETS</b>	<b>4,972,491</b>	<b>7,358,191</b>	<b>8,456,955</b>

**Karori Sanctuary Trust**  
**Statement of Cash Flow at 31 March 2009**

	Actual Mar Qtr	Budget Mar Qtr	Actual YTD	Budget YTD	Annual Budget
	\$	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Cash was provided from:</b>					
Member subs, visitors & grants	447,080	3,185,021	1,347,860	4,256,685	1,636,466
Interest Received	51,781	58,350	199,143	172,191	230,547
Net GST received	44,880		155		
<b>Cash was applied to:</b>					
Payments to suppliers and employees	-748,269	-573,746	-186,030	-	-2,006,216
Interest cost	-26,302	-28,770	-79,459	-83,138	-95,020
Net GST Paid			0		
<b>NET CASH FLOW OPERATING</b>	<b>-230,829</b>	<b>2,640,855</b>	<b>1,281,670</b>	<b>2,784,436</b>	<b>-234,223</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Cash was applied to:</b>					
Purchase of plant and equipment	-29,991	-6,000	-326,081	-237,000	-437,000
Visitor Centre	-	-	-	-	-9,023,096
	1,831,488	2,487,569	4,898,686	6,224,972	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-9,460,096</b>
	1,861,478	2,493,569	5,224,768	6,461,972	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Cash was provided from:</b>					
WCC Loan	2,285,051	1918633	3,783,972	5656036	5,656,036
Government grant other grant	38501		174668		4597532
<b>Cash was applied to:</b>					
Repayment of loan	-25,000	-25,000	-75,000	-75,000	-100,000
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>2,298,552</b>	<b>1,893,633</b>	<b>3,883,640</b>	<b>5,581,036</b>	<b>10,153,568</b>
Net Inc/(Dec) In Cash	206,244	2,040,919	-59,458	1,903,500	459,249
Opening cash	3,301,596	3,207,158	3,567,299	3,344,578	3,344,578
Closing cash	3,507,841	5,248,077	3,507,841	5,248,078	3,803,827
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>					
Cash and bank balances	3,507,841	5,248,077	3,507,841	5,248,077	3,803,827