



# **Report to the Wellington City Council Monitoring Committee Against Business Plan Targets**

## **First quarter ended 30 September 2008**

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### **Key highlights**

- The Sanctuary won the prestigious 2008 Tourism Industry Award for Conservation in Action – major boosts to the Sanctuary’s national and international profile as a must-see visitor attraction. The 2008 Lonely Planet Guide to New Zealand has also singled the Sanctuary out as an 'un-missable green experience.'
- Our breeding season is now well underway with the first kaka chicks hatched in late September.
- Transfer of 10 female Bellbird from Kapiti Island took place in July.
- Preliminary results from an independent market research on Sanctuary’s visitor & Education Centre’s new product offerings confirmed that over 95% of all respondents (domestic & international visitors) were very or quite interested in seeing the new products.
- Node 3 visitor hub is complete and work on a suspension bridge began.
- The unforeseen geotechnical issues, the complexity of the heritage items and the unexpected delays encountered in the consents process have led to increased cost and programme delay.

### **Visitor and Education Centre project**

- The unforeseen geotechnical issue, the complexity of the heritage items and the unexpected delays encountered in the consents process have led to increased cost and programme delay. The unforeseen geotechnical issue was advised to the Council in May 2008 and Council agreed to consider additional loan once costings are confirmed. The unexpected consents delay have taken 5 months and the Sanctuary has been working on securing firm costings in order to assess the extent of the cost increase before submitting a case for additional loan and transitional funding.
- An application of \$600k has been made to the Lottery Committee to assist in the cost overrun but decision will not be known until late November.

### **Visitors/memberships**

- Visitor numbers for the quarter at 9,959 were higher than budget of 9,480 but lower than last year of 12,354. The bad rainy weather is primarily the reason for the lower than last year visitor



numbers. 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 5,487 as compared to end of year budget of 5,400.

## **Marketing, Promotion & Tourism activities**

- The Sanctuary won the prestigious 2008 Tourism Industry Award for Conservation in Action – major boosts to the Sanctuary’s national and international profile as a must-see visitor attraction. The 2008 Lonely Planet Guide to New Zealand has also singled the Sanctuary out as an 'un-missable green experience.' These have generated much news coverage including to the Trades channels.
- Sanctuary attended the Tourism New Zealand UK Product Workshop in London supported by Positively Wellington Tourism. The workshop involved training frontline travel agents and meeting with product managers through one-on-one appointments. Presentations include both current products and new product offerings when the visitor centre opens.
- Much focus has been on securing inbounders to offer our products to cruise ship for the coming season.
- Appointment of a full time Tourism Business Development Manager (from part-time) to boost activities in the Trades market in preparation for the Visitor & Education Centre.
- A review of our domestic trade promotional channels has commenced to narrow down the most appropriate and effective channels to utilize.
- An independent quantitative market research was being conducted over July to September. The research aims at both domestic and international visitors and will provide information for fine tuning our product offerings for the visitor centre. Preliminary results indicated that over 95% of all respondents (domestic & international visitors) were very or quite interested in seeing the new products.
- Work began in evaluating/developing our brand to ensure it reflects our new positioning as a national icon and reflects who we are and what we aims to do – to tell a NZ conservation story, and concurrently recognizing the equity associated with the name “Karori Sanctuary”. The Board has presented this to the members at the annual meeting, Tourism NZ and Positively Wellington Tourism and has received very positive feedback.
- The first stage of our redeveloped website has been launched.
- We hosted the Minister of Conservation in September.
- The delinquent teenage kaka story made news around the world, distributed through the Associated Press news agency to its papers in the US, UK, Europe and Asia. It was also picked up by Prime News (aired 9 Sept) and covered on the TV3 website.



## **Visitor experience and facilities development in the Valley**

- Node 3 visitor hub development has been completed and we have received excellent feedback for the interpretation.
- Suspension Bridge and associated tracks is well under way with completion anticipated in October. Work on the tracks has been delayed while the ground dries after rain during the last months.
- Ducks and Shags interpretative display installed.

## **Fauna transfer and monitoring**

- Ten female Bellbird were transferred from Kapiti Island.
- Breeding season commences.

## **Biosecurity**

- **Plant pests**

Karaka seedlings being removed.

Planning for summer weed team under development.

- **Animal pests**

The season's mouse control was completed.

Annual valley audit completed.

External perimeter vegetation cut back undertaken to reduce risk of falls onto fence.

## **Education**

- A steady quarter for the education programme with some cancellations due to weather.
- LEOTC contract evaluator ranked us as a low risk provider; no issues were raised during their visit.
- Tree planting in the community (parks and schools) in conjunction with WCC Parks & Gardens and schools undertaken.

## **Financials**

- Government grant, WCC loan and visitor centre capex have been included in the Annual Budget based on the programme of works in August. This would have to be updated once the Visitor Centre project costs are finalised.



- For the quarter, revenue at \$728,162 was above budget and expenditure before depreciation at \$452,460 was below budget giving a surplus before depreciation of \$275,703 as compared to a budget surplus of \$204,064. After depreciation, the actual surplus was \$227,224 as compared to a budget surplus of \$152,662.
- The above budget quarter results were primarily due to:
  - higher than anticipated membership and visitor numbers.
  - higher donations and interest income than budgeted.
  - lower overall expenditure due to timing issues, reduced stock purchases resulting from the move of the temporary visitors centre and staff vacancies

The above were slightly offset by:

- the delay in receiving the grant for the suspension bridge construction due to delays in the project.
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- Bank balances as at 30 September 2008 stood at \$3,569,897. Trade creditors stood at \$280k, grants in advance at \$92k and Community Trust loan repayment 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.



## Measurement against Targets in SOL

### 8.1 high level outcome measures

Measure	Frequency of measure	Annual Target 2008/09	September Quarter Target	September Actual
Visitation numbers	Quarterly	63,000	9,480	9,959
Members units	Quarterly	5,400	-	5,487
No of school student visits *	Quarterly	5,500	830	835
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		Near complete

\* Student numbers included in total visitation numbers above

### 8.2 cost effectiveness measures

Measure	Frequency of measure	Annual Target 2008/09	September Quarter Target	September Actual
Average subsidy per visitation (based on WCC grant accounted for in first quarter).	Quarterly	\$5.60	\$37.24	\$35.74
Average subsidy per visitation (Based on WCC grant averaged over year).	Quarterly	\$5.60	\$9.31	\$8.86
Average revenue per visitation (excludes Council & Government grants)	Quarterly	\$18.70	\$38.52	\$36.67

### 8.3 Organisational health and capability measures

Measure	Frequency of measure	Target 2008/09	September 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%	Half yearly
Performance appraisals completed	Annually	100%	Annually
Qualmark accredited	Two yearly	Achieved	Two yearly



**Karori Sanctuary**  
**Statement of Financial Performance**  
**For the Quarter ended 30 September 2008.**

	Quarter Actual	Quarter Budget	Annual Budget
	\$	\$	\$
<b>REVENUE</b>			
Subscriptions	68,112	54,000	247,703
Donations & Appeals	30,995	14,000	70,000
Project Grants	459,327	522,167	778,761
Government grant	0	0	4,618,910
Admissions	62,441	45,432	397,171
Retail Revenue	23,069	21,000	184,000
Other Income	84,218	58,120	248,047
<b>TOTAL REVENUE</b>	<b>728,162</b>	<b>714,719</b>	<b>6,544,592</b>
<b>EXPENDITURE</b>			
Conservation & Facility Manage	13,837	8,069	219,410
Visitor Facility Devpt & Mtce	15,783	17,251	198,320
Community & Visitor	81,417	82,881	601,142
Cost of Goods Sold	19,855	28,495	124,590
Admin & Management	20,496	51,013	169,194
Personnel Costs	274,464	296,297	1,227,441
Interest on Loans	26,607	26,649	95,020
<b>TOTAL EXPENDITURE</b>	<b>452,460</b>	<b>510,655</b>	<b>2,635,117</b>
<b>TRADING SURPLUS/DEFECIT</b>	<b>275,703</b>	<b>204,064</b>	<b>3,909,475</b>
Depreciation	48,479	51,402	209,510
<b>OPERATING SURPLUS/DEFECIT</b>	<b>227,224</b>	<b>152,662</b>	<b>3,699,965</b>



**Karori Sanctuary**  
**Statement of Financial Position**  
**As at 30 September 2008.**

	Sept Qtr	Budget 30/09/08	Annual Budget
	\$	\$	\$
<b><u>EQUITY</u></b>			
Accumulated Funds	<b>4,993,271</b>	<b>4,918,709</b>	<b>8,466,012</b>
<b><u>CURRENT ASSETS</u></b>			
Cash and Bank	3,569,897	3,545,304	5,801,733
Capital Fundraising a/c	0	0	0
Accounts Receivable	78,116	5,505	5,505
Stock on Hand	22,827	22,827	22,826
<b>TOTAL CURRENT ASSETS</b>	<b>3,670,840</b>	<b>3,573,636</b>	<b>5,830,064</b>
<b><u>NON CURRENT ASSETS</u></b>			
Fixed Assets	5,203,118	5,204,583	11,724,016
<b>TOTAL NON CURRENT ASSETS</b>	<b>5,203,118</b>	<b>5,204,583</b>	<b>11,724,016</b>
<b><u>TOTAL ASSETS</u></b>	<b>8,873,958</b>	<b>8,778,219</b>	<b>17,554,080</b>
<b><u>CURRENT LIABILITIES</u></b>			
Creditors	281,506	285,696	767,306
Grants Received in Advance	92,341	1,000	1
Holiday Pay Accrued	87,059	87,059	87,059
GST to pay	-64,229	1,745	1,745
CTW	108,333	108,333	108,333
Capital fundraising liability	0	0	0
Unearned Income	123,623	123,624	123,624
<b>TOTAL CURRENT LIABILITIES</b>	<b>628,633</b>	<b>607,457</b>	<b>1,088,068</b>
<b><u>TERM LIABILITIES</u></b>			
Community Trust Loan	1,075,000	1,075,000	1,000,000
WCC Loan	2,177,054	2,177,053	7,000,000
<b>TOTAL TERM LIABILITIES</b>	<b>3,252,054</b>	<b>3,252,053</b>	<b>8,000,000</b>
<b><u>TOTAL LIABILITIES</u></b>	<b>3,880,687</b>	<b>3,859,510</b>	<b>9,088,068</b>
<b><u>NET ASSETS</u></b>	<b>4,993,271</b>	<b>4,918,709</b>	<b>8,466,012</b>



**Karori Sanctuary  
Statement of Cashflow at 30 September 2008**

	September Qtr	Qtr Budget	Annual Budget
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Subs/visitors/grants	622,527	615,952	6,269,769
Interest received	81,088	55,491	230,547
Net GST received	-5,658	60316	60316
<b>Cash was applied to:</b>			
Payments to suppliers and employees	-473,282	-553,589	-2,620,429
Interest costs	-25,291	-26,649	-84,271
Net GST Paid			
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>199,384</b>	<b>151,521</b>	<b>3,855,932</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Cash was applied to:</b>			
Purchase of assets	-97,686	-77,867	-528,668
Visitor centre	-559,389	-555,938	-6,301,067
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-657,075</b>	<b>-633,805</b>	<b>-6,829,735</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Cash was raised for:</b>			
WCC loan	485,289	485,289	5,308,236
Visitor & Education Centre			
<b>Cash was applied to:</b>			
Repayment of loan	-25,000	-25,000	-100,000
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>460,289</b>	<b>460,289</b>	<b>5,208,236</b>
<b><u>Net Increase/(Decrease) In Cash</u></b>	<b>2,598</b>	<b>-21,995</b>	<b>2,234,433</b>
Opening cash	3,567,299	3,567,299	3,567,299
Closing cash	3,569,897	3,545,304	5,801,732
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>			
Cash and bank balances	3,569,897	3,545,304	5,801,732

