



[<< Back to Article](#)

Fuzzy Wuzzy Wuzza Biz Plan

Stewart Taggart  03.04.02 | 2:00 AM

SYDNEY, Australia -- Perhaps the world's most audacious attempt yet to marry stock-market capitalism with back-country conservation has ended in penury.

Earth Sanctuaries Ltd., which floated its shares on the Australian Stock Exchange in May 2000 at \$A2.05 apiece, now trades at 23 cents -- a fall of nearly 90 percent. The venture has run out of cash and is selling its assets.

Animal rich but cash poor, Earth Sanctuaries' business concept itself was simple: Buy land around Australia, put electric fences around it, kill off the introduced species inside and reintroduce native fauna to areas cleared of feral pests.

An economic return would be earned through assigning financial values to the native animals inside the sanctuaries, which Australian accounting rules permit. A second revenue source would come from charging visitors to come see the adorable, furry critters.

The ultimate aim was to harness the financial markets to saving rare and endangered species. When Earth Sanctuaries went public, company founder and conservation iconoclast John Wamsley -- well-known for wearing hats made from slaughtered Australian feral cats -- hoped the idea might spread elsewhere.

In a conservation sense, Earth Sanctuaries succeeded. Over the past 18 months, the number of animals on the company's 10 sanctuaries, spread over 93,000 hectares around Australia, has risen significantly. These included cuddly lovable with eccentric names as woylies, numbats, bilbys and boodies -- all ground-foraging animals decimated in recent decades by introduced foxes, cats and rabbits, as well as by land clearing and urbanization.

But while rising animal populations on the company sanctuaries boosted the balance sheet through accounting conventions designed for unharvested grapes, apples or wheat, most of the properties remained just too far from cities for visitors.

Result: Cash went out, but it didn't come in.

The company realized this and raced time to open reserves closer to Sydney and Melbourne, where tours, overnight stays and merchandise sales might have made cash registers ring. Meanwhile, it sought cash from bankers, investment institutions and shareholders.

But nobody bit with sufficient vigor, and in January the company put up a white flag.

"We're asset rich, but cash poor," the company admitted, saying its current course was unsustainable, and it would have to sell off some or all of its assets.

Depending on who steps up, Earth Sanctuaries' future as a going concern hangs in the balance.

Presently, the company has received 25 expressions of interest for its sanctuaries, and the company next month will decide how much of itself to sell.

Some bidders have indicated they want to continue to run the preserves as conservation operations. Others want to emphasize the eco-tourism side of the operations. For his part, Wamsley will be happy if someone comes along to continue the original vision -- perhaps making it work in a subsequent, revised iteration.

"We were the first to try anything like this, and we gave it a good shot," says Wamsley, a mathematics Ph.D. with a beard down to his navel. "We may have failed financially, but we did the right thing by the animals."

Louise Edkins, a financial planner with Eco-Logical Investment Services of Brisbane, Queensland, believes Earth Sanctuaries should have remained a private company, which it had been since 1967.

"A lot of the major investment support in the listed market is from institutions and super-annuation funds, and they just didn't understand Earth Sanctuaries," she said.

For their part, institutional investors defended their reluctance to invest, saying they liked the idea of Earth Sanctuaries, but that the business model was untried.

"Investment managers may be altruistic at heart, but their first fundamental priority is to wisely invest their clients' funds," said one private client adviser who asked not to be named.

At its height, Earth Sanctuaries had about 7,000 shareholders, many of whom were individuals investing in the company out of an almost religious belief in its conservation mission.

At one point last year, New South Wales Environment Minister Robert Debus opined that Earth Sanctuaries itself didn't appear sure whether it was a business, a charity or a cult. Wamsley wouldn't disagree.

"Earth Sanctuaries was partly a religious experience, it was also political, a charity and a business," Wamsley said. "But some political parties these days also act like cults, and get into business. And churches often get involved in politics. Everything these days is a mixture."