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**ORDINARY MEETING**

**OF**

**ENVIRONMENT COMMITTEE**

**SUPPLEMENTARY AGENDA**

**Time:** 9.15am  
**Date:** Thursday, 23 April 2015  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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## **4. Monitoring**

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# **2015/16 DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS**

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### **Purpose**

1. To receive and consider the draft Statements of Intent (SOIs) for 2015/16 for the Wellington Zoo Trust (the Zoo or the Trust) and the Karori Sanctuary Trust (ZEALANDIA or the Trust).

### **Summary**

2. Officers have reviewed the draft Statements of Intent for 2014/15 for the Zoo and ZEALANDIA and generally the draft SOIs have addressed the issues raised by the Letters of Expectations. Some changes are recommended to the Committee and, subject to its approval of these changes and any further items raised by the Committee, the Committee's views will be communicated to the Trusts so they can prepare the final Statements of Intent to be presented to this Committee at its meeting on 4 June 2015.

### **Recommendations**

That the Environment Committee:

1. Receive the information.
2. Note that the final Statement of Intent for the Wellington Zoo Trust should outline the requirements and timeframe for the Snow Leopards project in more detail.
3. Agree that the final Statement of Intent for the Karori Sanctuary Trust should, where possible, contain baseline data to 30 June 2015 and forecast data to 30 June 2018.
4. Agree that Council officers will work with the Wellington Zoo Trust and the Karori Sanctuary Trust to develop the final Statement of Intent for 2015/16 so as to address the items raised in this report and any further items raised by the Committee.

### **Background**

3. Under the Local Government Act 2002, Council Controlled Organisations (CCOs) are required to submit a draft Statement of Intent (SOI) to the Council by 1 March in the previous financial year. As a matter of good practice, the Council precedes this with a Letter of Expectation to CCOs, which outlines the Council's expectations in respect of the SOIs it will receive.
4. The draft SOI process provides both the Council and CCOs with an opportunity to fine-tune respective expectations ahead of submitting a final SOI for Council approval in June.
5. The Letter of Expectations for each entity was agreed by this committee on 27 November 2014 and draft SOIs have been received from both Trusts.

6. The draft 2015/16 SOI for Wellington Water Limited will be considered by the Wellington Water Committee.

### **Discussion**

7. Officers have reviewed the draft SOIs and acknowledge that they respond constructively to the Letters of Expectations. The main areas for the committee to note are as follows:

#### **Wellington Zoo Trust:**

8. Officers note the reference to the potential acquisition of Snow Leopards and associated request for capex funding. The final SOI should outline the requirements and timeframe for this project in more detail.
9. The Zoo's draft SOI includes a comprehensive discussion about the impact of the new Health and Safety legislation. Zoo management has indicated that it will cost \$150k per annum to implement the changes required. Officers note, however, that only \$80k is provided for in the draft 2015/2510-year plan.

#### **KARORI SANCTUARY TRUST:**

10. The draft SOI aligns well with Council's priorities and strategic direction and pays attention to Council's specific expectations.
11. The draft SOI has addressed Council's request that the Trust consider alternative methods of recording and presenting its conservation initiatives in the sanctuary. If possible, it could be helpful in the final SOI to provide baseline conservation data to 30 June 2015 to give context to the forecast data under the proposed new presentation format. The Trust could also provide forecast data for the year ended 30 June 2018 in this and other KPI measures.
12. A key strategy for the Trust is to maintain its focus on becoming a sustainable business and integral to this strategy is the diversification of its revenue streams. The Trust outlines a range of achievable diversification outcomes it will target during the term of the SOI. Officers will work with the Trust to align Council's financial reporting needs with the Trust's reporting capabilities so as to ensure an optimised framework is achieved for both parties before 30 June 2015 and the forecast financial statements in the final SOI will reflect this.

### **Attachments**

- Attachment 1. Wellington Zoo Trust draft 2015/16 SOI Page 6  
Attachment 2. Karori Sanctuary Trust draft 2015/16 SOI Page 36

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Authoriser	Derek Fry, Director City Growth & Partnerships

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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

The organisations in this report consult with the Council on a wide range of matters as part of our “no surprises” relationship.

### **Treaty of Waitangi considerations**

This report raises no new treaty considerations. Where appropriate the entities do consult with the Council’s Treaty Relations unit, and with the Tenth Trust, as part of normal operations.

### **Financial implications**

The CCOs work within the context of the Council’s overall Long Term Plan and Annual Plan framework.

### **Policy and legislative implications**

This report complies with the legislative requirements of the Local Government Act (2002) and is consistent with existing Council policy.

### **Risks / legal**

Not applicable.

### **Climate Change impact and considerations**

The CCOs work with the Council and other organisations in considering the environmental sustainability of their operations, including with the Council’s Our Living City programme.

### **Communications Plan**

Not applicable.

Statement of Intent and Business Plan  
2015-16  
Wellington Zoo Trust

Pursuant to Schedule 8 of the Local Government Act (2002)



*Grassland Cats — exhibit opened September 2014*

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## 1. Introduction

Wellington Zoo is a boutique but mighty Zoo in the Australasian regional context and a leader in zoo sustainability initiatives on a global scale. As a social enterprise we exist to create community benefit and to solve a social problem – the loss of species worldwide. We operate to fulfil our aim to ignite a conservation revolution through celebration, innovation and pride.

The Zoo is a place of happiness and love underpinned by strong conservation animal welfare and visitor experience expertise.

As the global trend of species loss becomes more critical the Zoo's role in animal care, conservation breeding for restoration of wild populations, care of injured or orphaned wildlife, support for local and global conservation programmes, science and veterinary research and advocacy for endangered animals becomes even more imperative. To ensure we can achieve these aims our financial sustainability, best practice animal housing and care and excellence in visitor programming become key strategic outcomes for us.

As the world's first carboNZero certified Zoo we believe in sustainability for growth and for a continuing social licence to operate. Wellington Zoo gives back to the community through well-being outcomes, socially responsible behaviour and conservation legitimacy. We believe the Zoo's outcomes contribute a better society for us and for our children after us.



Wellington Zoo contributes to the vibrancy and forward thinking of our city through employment of Wellingtonians, working with Wellingtonian suppliers and other Wellington organisations in partnerships driven by outcomes and provision of quality of visitor experiences for our local and global community. The Zoo aims to be a reflection of our city and contribute to the thriving cultural and natural heritage of Wellington as an accessible and liveable city. The economic benefit the Zoo generates additional liveability to our citizens and reflects the Economic Strategy of the Council for Wellington.

We have consistently met or outperformed almost all of our performance targets in the last nine years. Since the beginning of the Zoo Capital Plan (ZCP) investment in 2006 our visitation has **increased 35.6% on the base 2004-05 figures**. We have also increased our contribution to the operating costs of the Zoo from 37% to 56% in that time.

In the current plans for the upcoming LTP no new Zoo CAPEX submissions have been approved for inclusion but the re-institution of Giant Panda acquisition by central Government may change this. For example the Welcome Plaza project will need to be completed if Giant Pandas are acquired. However we would like to request that Snow Leopards CAPEX of \$2.6m be included three years out in the LTP.

We are pleased to report that all our permanent and fixed term staff are paid above Living Wage. Our casual staff are paid at \$15ph plus holiday loading. We annually review all our salaries for all staff in line with our remuneration policy. We value our people and want to pay them fairly. The OPEX uplift indicated in the LTP for the Zoo will help us ensure that all our permanent and fixed term staff stay ahead of the Living Wage and that we can gradually

raise the wage paid to casual staff. We do not want to fall behind in salary increases for the people who, day in day out, deliver success for the Zoo.

We are grateful that our renewals budget in the LTP is set to be more closely aligned with our Asset Management Plan in the main. This will allow us to maintain the Zoo appropriately and be closer aligned with depreciation costs.

Health and Safety provisions for the Zoo are being discussed as part of the LTP which hopefully will result in a position created to be located at the Zoo but with responsibility across all CCOs. This is supported by the CE ZEALANDIA and the CE Wellington Museums Trust in discussions we have had in this regard. There is quite a large piece of work to complete to prepare for the legislation in 2015 and this role should sit at executive level rather than at middle management. This would change the salary required and we believe this is warranted especially with a shared resource.

It is also possible that under the new law WCC would be seen as our landlord with Health and Safety responsibilities to us as 'tenant'. In this regard the law will require WCC to ensure that we are fully funded to implement the changes required for compliance with the law. We have asked for \$150,000pa in the LTP for Health and Safety and we believe this is appropriate given the changes required and could be a shared resource for all CCOs.

We agree to the nonfinancial expectations of the Zoo and the SOI outlines how we will implement these expectations.



*Do at the Zoo – celebrating Conservation Week*

## 2. Strategic Direction

### a) Core Purpose

Wellington Zoo Trust Incorporated is incorporated under the Charitable Trust Act 1957 and is a not for profit organisation.

#### **PURPOSE**

Wellington Zoo exists to grow a conservation revolution. We lead the way in connecting people to animals and saving animals in the wild by having our community love their Zoo and love animals.

#### **DREAM**

Wellington Zoo's dream is to be 'the best little zoo in the world'.

#### **TRUST DEED**

Wellington Zoo Trust Deed states the objects of the Trust as follows:

*"7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:*

*7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;*

*7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;*

*7.1.3 To promote species conservation;*

*7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;*

*7.1.5 To develop, manage and plan animal species management programmes;*

*7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;*

*7.1.7 To acquire additional plant and animal species;*

*7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community."*

***b) Operating Environment Update***

The operating environment continues to be challenging as people look for discounts and deals rather than paying full fees. However we are seeing a growth in our commercial products revenue such as animal Close Encounters. Costs such as salaries continue to climb and we are in the process of redefining the strategic framework for Wellington Zoo Trust in order to act in accordance with our operating environment.

The Board and Strategic Management Team (SMT) have begun a strategic review of the Zoo's future goals to ensure we maximise a continuation of the positive momentum in visitor admissions and financial performance. We are well aware of the need to be continually improving and creating an offering that the community feels is value for money and leading edge for zoo experiences. We have agreed that a disruptive change must occur to drive a new model for the Zoo and ensure our continued success as an organisation.



*Our newest animal Close Encounter – Black and White Ruffed Lemur*

***c) Strategic Framework***

We believe that the ZCP was a disruptive force for change at the Zoo when it was begun in 2006 and this is what we need again — not so much a physical change as we believe we have created an innovative platform for future initiatives. What we need is a disruption of business as usual as the ZCP was and we see this new iteration of the Zoo as being in the development of new ideas, new thinking and innovation. Most of our people have only known success and the Zoo is widely recognised as delivering on its promises. We must continue to drive success and business integrity.

Much has been discussed on the world stage about the role zoos must play to support wild conservation through best practice animal welfare, community engagement and support for global and local conservation programmes.

Below is a strategic focus diagram using Simon Sinek’s Why, How, What approach for business outcomes and strategic planning which summarises our thoughts on the most important areas for the future of Wellington Zoo. This new strategic framework changes our strategic elements from six to four and focusses our efforts for the ‘new Zoo’.

Our impossible question that we asked ourselves was ‘what can we do about loss of species the world over?’ How can we be a boutique but mighty Zoo in the conservation space? How can we drive change through celebration, innovation and pride? What is the revolution we want? How do we close the loop between a zoo visit and saving animals in the wild?

So this discussion is about the new Zoo, not the old, and seeks to take us into a new realm which builds on our success of the past few years, using the rebuilt Zoo physical platform and sets the stage for Wellington Zoo to be seen as a leader in the conservation of species.

We have adjusted our measures under each strategy and we will build our annual plans and budgets accordingly. We are also undertaking a values project in the first half of this year which will underpin the delivery of this strategy and drive our shared values. It is timely that we do this in 2015 as *Meet the Locals* will be the launch pad for the new Zoo. As the final project of the ZCP, *Meet the Locals* is as significant for Wellington Zoo as The Nest Te Kōhanga was in 2009 and it will add additional value to the strategic future of our Zoo.



**Wellington Zoo Trust's strategic elements are to:**

**1. Connect people with animals**

The Zoo is perfectly positioned, as a multi award winner in visitor experience, business leadership, vibrancy, sustainability and conservation, to take an active role in delivering conservation and sustainability messages to a large audience of over 230,000 visitors on-site and many more online.

Wellington Zoo will continue to build its reputation as a unique and intimate Zoo by including more opportunities for our visitors to experience multi layered and multisensory learning experiences. We will design creative and profound visitor experiences which connect people to animals in ways which drive them to positive action.

Our people are passionate about their work and we will ensure they are supported in their development and have the necessary capability to deliver our strategy.

The physical asset of the Zoo must be well cared for in order for the Zoo to have credibility. The CX125 renewals budget indicated in the LTP will allow us to do this well.



*Meeting a Leopard Gecko up close*

**2. Save animals in the wild**

Our end game is to save animals in the wild, locally and globally.

We are a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo industry with other conservation agencies and higher learning organisations in Wellington and across New Zealand.

Our Collection Plan focuses on the number of critically endangered and endangered species we have in human care at the Zoo and those we support through our conservation programmes in the animal's range state. We support programmes for critically endangered and endangered species e.g. Cotton Top Tamarins, Black and White Ruffed Lemurs and Golden Lion Tamarins. The planned acquisition of Snow

Leopards will provide further opportunities for our community to engage with global conservation issues.

The Nest Te Kōhanga works with a variety of native species. Native wildlife cases now make up 70% of the veterinary medicine case load – including many who are critically endangered and endangered.



*A rare Fiordland Crested Penguin sent from Hokitika to The Nest Te Kōhanga for treatment*

### **3. People love and support the Zoo**

The Trust now contributes 56% of its operational costs and has increased this gradually since the inception of the Trust in 2003 from 37%.

The Zoo's contribution to the economic development of our city is through its financial results, creating a facility Wellingtonians can feel proud of, by the employment of over 80 people (62 FTE) and by being one of the largest businesses in Newtown.

The Trust will continue its commercial imperatives this year to ensure financial sustainability. As a social enterprise we seek to create our financial sustainability so that our social and environmental goals can be achieved.

Wellington Zoo aims to be 'the best little zoo in the world' and has immense community support as shown in consistent visitor attendance and membership growth.

Wellington Zoo is inclusive for all sectors of our community – our visitor mix is diverse and we ensure that all visitors feel safe and respected.

We seek to ensure the Zoo is accessible for our community with annual initiatives which assist all sectors of our community to enjoy their Zoo.

Partnerships which are accountable and result driven have and will be part of our strategic imperatives. Programmes such as “Zoofari” the partnership with The Warehouse whereby the fundraising undertaken in their stores provides funding for low decile schools to access free transport to enable those children to visit the Zoo.

Our partnership with Massey University for the Zoo Animal and Wildlife Health Masterate is the only one of its kind in the world and is the key to building capability in this area of veterinary science for our country. Zoo and wildlife medicine is a specific skill set which requires expertise across a range of species. Together with Massey University Veterinary School, Wellington Zoo is growing this capability for New Zealand through the highly respected work at The Nest Te Kōhanga.

We are looking at new possibilities for collaborative science and research projects which will create value for New Zealand.



*One of the classes supported by The Warehouse Zoofari programme*

#### **4. Lead the way**

Wellington Zoo has been recognised in a multitude of awards over the past few years, from sustainability to business and environmental leadership. We appreciate that we have been externally validated for the work we have done to create a Zoo which does our city proud. We will continue to strive for excellence across our organisation. As the world's first carboNZero certified zoo, sustainability is in our DNA as a leader in this area.

There is a number of Zoo staff who hold regional zoo positions, including the Chief Executive who is the President of the Zoo Aquarium Association Australasia and our Collection Development Manager who is the Chair of the Zoo and Aquarium Association Animal Welfare and Accreditation Committee.

The Chief Executive is also a member of the NZ Animal Behaviour and Welfare Consultative Committee, the Wellington Conservation Board and the NZ Committee for the IUCN.

Animal care is the raison d'être for zoos. It is one of the defining differences between good zoos and bad zoos worldwide. In the 21<sup>st</sup> century compromised animal welfare in zoos is unacceptable. Animal Welfare is an area of developing and ever changing science and a 21<sup>st</sup> century zoo must be leading the ethical paradigm for animal care. Wellington Zoo takes this responsibility seriously and endeavours to raise the bar in regard to care of our precious animals.

Animal welfare extends to our collection animals, the ever increasing number of native wildlife we care for in The Nest Te Kōhanga and any animals we care for as part of conservation breeding programmes for restoration of wild populations.



*As part of the ongoing recovery programme in conjunction with DOC, a rare Otago Skink receives a health check*

### **3. Contribution to our city and links to the WCC Strategy**

The Towards 2040 Strategy for our city aligns with the goals of Wellington Zoo Trust in that it is about inspiring each other to see the possibilities for the future. The work of the Zoo supports the four pillars of the Towards 2040 Strategy: eco city, people centred city, connected city and dynamic city centre. The Zoo is an iconic asset for our city and as our population grows there will be an even greater desire for the Zoo to be a sophisticated and accessible attraction which delivers 21st century conservation programmes on site and off site. Community space such as the Zoo becomes even more critical to city living as the city grows and develops. The Zoo contributes to the unique identity of Newtown and adds to the perception of Wellington as an open and welcoming city by providing visitor facilities to enjoy and increasing the attractiveness of Wellington as a place people choose to live.

The Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. It contributes to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute as a cutting edge business with

talented people to the thriving cultural and natural heritage of Wellington as a liveable city. The Zoo supports the Economic Strategy for our city by contributing strongly to liveability outcomes and by being part of the well-being of people that Wellington is renowned for amongst New Zealand cities. We feel very positively about working with WREDA to ensure economic growth for our city. As winners of Green Gold and Vibrant Gold at the Wellington Gold Awards we believe we are perfectly placed to add value to the economy of our region.

As a result of aiming for and achieving the Trust's strategic vision, Wellington Zoo will be seen as:

- A leader in the city, and a major partner of Wellington City Council in shaping the community's views on and action for conservation and sustainable living
- A valued and valuable member of the Newtown and Wellington communities that adds to the prosperity of our city through events, connections, inclusivity and engagement
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in conservation and sustainability
- A key contributor to helping the city become internationally competitive, entrepreneurial and innovative by attracting investment in education, research, tourism and employment and contributing to the provision of a vibrant city attracting a creative working population
- An important part of Wellington's history as New Zealand's first zoo and the most visited paid cultural attraction in Wellington.

Wellington Zoo can be seen as an important part of the regional fabric that stimulates overall wealth creation and social stability and connects people to conservation and environmental issues. As our region's only zoo we are a unique asset for our city.



*Over 1550 Newtown neighbours attended our 10<sup>th</sup> Neighbours Night BBQ – 2015*

## 4. Nature and Scope of Activities

### Core Business

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington. These can be summarised as follows:

- Strategic direction and operational management of the Zoo
- Development and maintenance of animal exhibits which offer high quality experiences to visitors and high quality living environments to the resident animals
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset
- Educational curriculum delivery to develop children as democratic citizens
- Management of collection animals to achieve excellent levels of health and emotional/psychological well-being according to the Five Domains of animal welfare
- Contribution to conservation through advocacy, support for ex situ and in situ conservation programmes, and sustainable management practices on site
- Participation in collaborative inter-zoo management programmes for collection species and other zoo specific activities
- Contribution to conservation, scientific, learning and management research projects in the field and on site
- Fundraising for the organisation's future sustainability, development and conservation projects.



*Endangered and critically endangered species from our collection and their associated programmes that we support*

## 5. Performance Measurements

For the next three years the following table indicates the measures for WCC to monitor.

Measure	Frequency of Measure	Target 2015-16	Target 2016-17	Target 2017-18	Notes
<b>Connect people with animals</b>					
Fundraising targets for ZCP reached or exceeded	Annually	25% of Capex Spend	NA	NA	Varies according to ZCP CAPEX spend. This measure is appropriate for 2015-16 only as the ZCP will then be complete
Meet ZCP project timing and budget programme	Per project	Complete Meet the Locals	NA	NA	With this project the ZCP is complete
Measure visitor feedback and satisfaction	Annually	1 research project	1 research project	1 research project	
Participate in visitor research project re behaviour change	Annually	> 1	> 1	> 1	
Contact animal hours out in the Zoo	Annually	1000 hours	1100 hours	1100 hours	
Staff turnover (permanent staff only)	Annually	≤ 20%	≤ 20%	≤ 20%	The 2013 NZ Staff Turnover Survey was released mid-2014. The survey findings put the 2013 national average turnover at 17.2% and at 22.6% for the Not for Profit sector. If we compare the Zoo to similar sized organisations in the Public and Private sectors (31–64 staff) the figures are 25.70% and 19.31% respectively
<b>People love and support the Zoo</b>					
Increase total admissions by 2% each year on base year 2005/06 (170,116 visitors) as per the ZCP Business Case	Quarterly	233,101	NA	NA	These increases are beyond the required 2% pa as agreed in the ZCP Business case. This is appropriate for 2015-16 only as the ZCP will then be complete
Increase total admissions as per agreed %	Quarterly	NA	237,763	242,518	New measure introduced after completion of the ZCP
Ratio of Trust generated income as % of WCC grant	Quarterly	122%	121%	121%	
Average income per visitor from Trust generated revenue	Quarterly	\$14.75	\$14.72	\$14.76	
Average WCC subsidy per visitor	Quarterly	\$12.07	\$12.13	\$12.19	This KPI measures only WCC OPEX Grant per visitor

**Item 4.1 Attachment 1**

Full cost per visitor including WCC costs	Quarterly	\$21.33	\$21.44	\$21.36	This KPI is generated by WCC. It includes depreciation, shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant
Volunteer hours	Annually	11,520 hours–6 FTE	13,440 hours–7 FTE	13,440 hours–7 FTE	
<b>Save animals in the wild</b>					
Number of vulnerable, endangered or critically endangered species (IUCN list) in the Zoo's collection	Annually	≥26	≥27	≥30	New Measure
Number of threatened Native species (DOC rating) treated in the Nest Te Kōhanga	Annually	≥30	≥32	≥32	New Measure
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	Annually	≥ 4	≥ 4	≥ 4	
Participate in Community Conservation Projects	Annually	≥ 3	≥ 3	≥ 3	
Participate in scientific programmes	Annually	≥ 4	≥ 4	≥ 4	
<b>Lead the way</b>					
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Annually	Achieved	Achieved	Achieved	New Measure
Maintain carbonZero certification	Annually	Achieved	Achieved	Achieved	New Measure
H&S targets met	Quarterly	Achieved	Achieved	Achieved	New Measure
Staff holding industry positions	Annually	> 5	> 5	> 5	
Initiatives to support People & Culture Strategy	Annually	≥ 2	≥ 2	≥ 2	Golden Agouti Awards; Volunteer recognition, Organisational Values Project

**Budgeted Visitor Numbers by Quarter for 2015-16**

Q1	Q2	Q3	Q4	TOTAL
47,204	61,398	65,413	59,086	233,101

## 6. Board's Approach to Governance

Wellington Zoo Trust is a Council Controlled Organisation having been established in 2003 by the Wellington City Council to develop and manage Wellington Zoo.

### Relationship with Council

The Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Indicators (KPIs) and the financial results. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction.

As part of the ongoing relationship with the Wellington City Council, the Chair and Chief Executive meet with the Mayor, Environment Portfolio leaders and Wellington City Council Chief Executive on a regular basis. The Wellington Zoo Chief Executive meets regularly with officers of the CCO's & City Growth Projects unit and other Council management when appropriate. The Chair and Chief Executive attend the Environment Portfolio meetings as required.

The Trust's Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end.

The Trust will disclose any material or potentially contentious transactions that are planned within its annual business plan. Where this is not possible, the earliest practicable notice will be given to Council of such transactions.

The Trust will publicly acknowledge Council's contribution to the Zoo wherever appropriate.

The principles governing the relationship between the Trust and Council will include:

- A "no surprises" approach
- Open communications which acknowledge each partner's objectives and constraints
- Mutually respectful negotiation of resolution of differences
- Reciprocal recognition of the requirements of each other's processes
- Provision of quarterly reports against agreed KPIs and an annual report within three months of balance date.

### Board Membership

Name	Term Expires
Ross Martin ( <i>Chair</i> )	31 December 2015
Frances Russell ( <i>Deputy Chair</i> )	31 December 2016
Linda Meade	30 June 2015
Sarah Free	October 2016
Raewyn Bleakley	30 November 2017
Craig Ellison	30 November 2017

All Board members are non-executive.

#### **Board Committees**

The Board operates three committees:

- Finance, Audit and Risk Committee
- Remuneration Committee
- Fundraising and Sponsorship Committee

#### **Board Development**

The Board conducts an annual review of overall Board performance and individual and chair performance and from this determines development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least 10 hours a year on this at Board meetings and additional workshops and discussions. A report will be tabled to the WCC Chief Executive on the Board review and outcomes by **30 September 2015**.

## **7. Organisational Health, Capability and Risk Assessment**

Wellington Zoo Trust has a Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our risk matrix at least annually and this matrix is updated as required.

Health and Safety is currently managed via the Collection Development Manager who currently has this area of responsibility. He works with our Safety Improvement Team to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the SMT and by the Board at their regular meetings. Annual trends are analysed by the SMT and the Board and actions taken to rectify any worrying trends.

Our health and safety plan covers everything from working in an office to managing a variety of wild animals in purpose built enclosures. We have a hazard identification register which identifies each and every individual work space and environment within the Zoo the risks that apply to these areas and the cause of control or mitigation. Accident reporting and investigation management are encouraged in a positive way so that staff realise the benefit of accurate reporting of all incidents and provide good detail for investigative reports.

We report on all of the following categories, Equipment (failure or need), Animal (issue), Slip, Trip, Fall, Fire, Obstruction, Illness, Near Miss, Manual Handling, and Other. Wellington Zoo has Standard Operating Procedures (SOP) in place for all sections of our operation. These form part of our induction of staff and are reviewed regularly by our operations people to keep them current. Any improvements or recommendations that come out of an incident report, investigation report or review of a SOP get forwarded to our Health and Safety Manager for review and action.

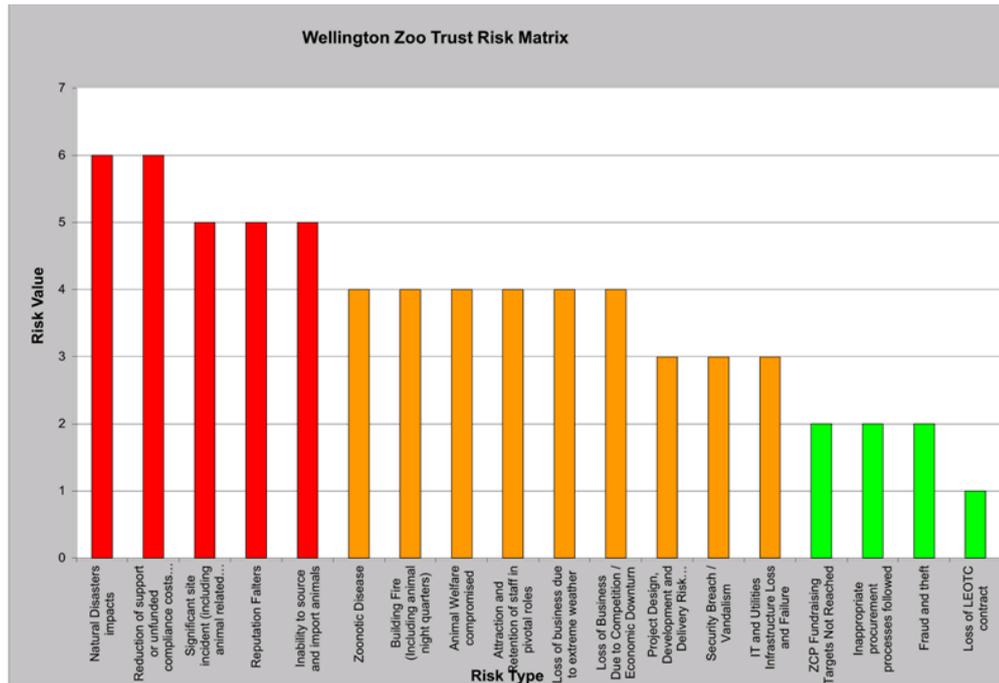
We consider health and safety issues from day one and incorporate health and safety measures into every project throughout the design process. We then request at Pre Qualifying stage as part of our Expressions of Interest documentation the ability of the contractor to provide evidence of their health and safety plan and how they manage health and safety on site on a daily basis. We also request their environmental policy and management systems which all form part of the measures they are judged on.

Before a construction contractor is engaged they must provide a site specific safety plan which includes Wellington Zoo's health and safety plan as a back to back document for that specific project. When inducted to site the contractor is questioned on our health and safety plan to ensure that they understand the environment that they are going to be working in. All construction contractors on site are required to pass on their weekly tool box meeting minutes and provide a project report which includes health and safety and current hazards that are apparent on site.

**However with the new legislation being enacted later in 2015 we have submitted a case for more resources in this area as indicated. We believe that this resource is imperative to ensure our ability to safeguard the Zoo. We believe this Health and Safety position should sit at Senior Management level to give emphasis to the importance of this role. We take the safety of our people and our community seriously and to prepare fully for the legislation change we have engaged Major Consulting Group to complete an audit of our Health and Safety and to assist us in preparing our strategy. We believe that a shared resource at senior management level across CCOs would be beneficial and would assist in aligning to WCC Health and Safety policy and strategy.**

The Business Continuity Plan is reviewed annually. Our current plan has been forwarded to the WCC Manager Risk Assurance for endorsement as per the Letter of Expectation.

<b>Risk Analysis &amp; Mitigation Plan for Wellington Zoo Trust</b>									
Areas of Risk	Risk Identification	Probability	Impact	Risk Value	Impact	\$ Value of Risk	Risk Mitigation	Responsibility	Accountability
Financial, H & S, Operational, Collection, Visitation	Natural Disasters impacts	-1	7	6			Business Continuity plan.	CEO	Board GMAC Manager Capital Development
Financial, H & S, Operational, Collection, Visitation, Reputational, Fundraising	Reduction of support or unfunded compliance costs from W	-1	7	6			Statement of Intent, Contract for Services	Board	Board CEO
Financial, H & S, Operational, Visitation, Reputational Fund Raising, ZCP	Significant site incident (including animal related incidents)	-2	7	5			Health & Safety Management System, Containment Standards	CEO	Board GMAC Manager Capital Development
Financial, Operational, Reputational, Visitation, Fundraising, ZCP, CarboNZero certification	Reputation Falters	-1	6	5			Code of Conduct, Media Policy, Use of Electronic Media Policy, Disciplinary Policy, Carbon Emissions Reduction and Management Plan	CEO	Board
Financial, Operational, Visitation, Reputational Fund Raising, ZCP	Inability to source and import animals	-1	6	5			Collection Plan	CEO	Board GMAC
Financial, H & S, Operational, Collection, Visitation	Zoonotic Disease	-3	7	4			Zoonotic diseases policy, EPA policies	CEO	Board GMAC
Financial, H & S, Operational, Visitation, ZCP, Collection	Building Fire (Including animal night quarters)	-2	6	4			Health & Safety Management System, Fire Alarms, Building WOFs	CEO	Board GMAC Manager Capital Development
Financial, Operational, Reputational, Fundraising, Collection	Animal Welfare compromised	-2	6	4			ZAA Accreditation Husbandry Manuals, Staff development policies, Animal Welfare Committee	CEO	Board GMAC
Financial, H & S, Operational, Visitation, Fundraising, ZCP	Attraction and Retention of staff in pivotal roles	-1	5	4			Staff Development Policy, Remuneration Policy, Recruitment Policy	CEO	Board GMP&C
Financial, H & S, Operational, Collection, Visitation	Loss of business due to extreme weather	-1	5	4			Marketing Strategy, Pricing Policy	CEO	Board GM&SP GMCE
Financial, Reputational, Visitation, Fundraising	Loss of Business Due to Competition / Economic Downturn	-1	5	4			Business Plan, Strategic Plan, Marketing Strategy, Collection plan	Board	Board CEO
Financial, Operational, Visitation, Fundraising, ZCP	Project Design, Development and Delivery Risk (including not obtaining resource consent)	-2	5	3			Project Management Process	CEO	Board Manager Capital Development
Financial, H & S, Operational, Collection	Security Breach / Vandalism	-2	5	3			CCTV System, Security Alarms, Maintenance of Perimeter Fence	CEO	Board GMAC
Financial, Operational, Visitation, Fundraising, ZCP, Collection, H & S	IT and Utilities Infrastructure Loss and Failure	-1	4	3			Business Continuity Plan, WCC Business Continuity Plan.	CEO	Board Manager Capital Development GMAC
Financial, H & S, Visitation, ZCP	ZCP Fundraising Targets Not Reached	-3	5	2			Fundraising Strategy	CEO	Board GM&SP GMCE
Financial, Operational, Reputational, Fund Raising, ZCP	Inappropriate procurement processes followed	-2	4	2			Procurement Policy, Register of Interests	CEO	Board CFO
Financial, Operational, Reputational, Fundraising	Fraud and theft	-2	4	2			CCTV, Code of Conduct, Financial management procedures.	CEO	Board CFO
Financial, Operational, Reputational, Visitation, Fundraising	Loss of LEOTC contract	-3	4	1		\$81,000 p.a.	Meet KPIs as per Contract	CEO	Board GMCE



Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur

Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

- All risks with a Risk Value of 5 - 8 must have a mitigation plan developed and agreed by all parties to the project. This level of risk will probably require some immediate special action or special planning dedicated to reducing the particular risk. A contingency plan should also be developed.
- All risks with a Risk Value of 3 or 4 shall have a mitigation plan so they can be managed.
- All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.
- Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a mitigation plan even if the overall Risk Value is less than 5.

## 8. Additional Information

**a) Response to other specific Letter of Expectation matters (if applicable)**

Not Applicable

**b) Ratio of shareholders funds to total assets**

Please refer to the Balance Sheet included and Accounting Policies.

**c) Estimate of amount intended for distribution**

Wellington Zoo Trust does not make a distribution to the Settlor.

**d) Acquisition procedures**

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

**e) Activities for which the Board seeks compensation from a local authority**

The Trust is seeking **operational funding grant of \$2,813,500.**

Although the Trust does not own the Zoo's assets, it is charged with planning and developing them under its founding documents. Accordingly, the Trust acknowledges the amount in the Letter of Expectation that the Council approve **\$516,000 for CX340** as per the LTP for the current ZCP. This figure is inclusive of external fundraising but exclusive of any carry forward from 2014-15.

The Board acknowledges the **\$799,597 currently in the Long Term Plan for CX125** (Zoo asset renewals) for 2015-16.

**f) Estimate of commercial value of shareholders investment**

Not Applicable

**g) Other matters (if applicable) e.g. water supply services LGA requirements**

Not Applicable

**h) Supplementary information the entity wishes to include**

As per Section 4.2 of the Contract for Services, we request that this contract be extended for a further year to 30 June 2016. However we would like to review the Contract for Services over the time of this SOI.

## **9. Appendix: Accounting Policies**

### **Reporting Entity**

The Wellington Zoo Trust (the Trust) is a charitable trust registered under the Charitable Trusts Act 1957 domiciled in New Zealand and is also a Council Controlled Organisation as defined under Section 6, Part 1 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees. The Trust was established on 1 July 2003 by the Wellington City Council.

The financial statements have been prepared in accordance with the requirements of the Charitable Trusts Act 1957 and section 69 of the Local Government Act 2002.

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was negotiated for a period of 3 years to 30 June 2012. This contract has been re-extended for a further year to 30 June 2015. Ongoing funding for the Trust has been approved in the 2012/2022 Long Term Plan.

The primary objective of the Trust is to manage, administer, plan, develop, maintain, operate and promote the Wellington Zoo for the benefits of the inhabitants of Wellington and as an attraction to visitors to Wellington, not to make a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZIFRS).

The reporting period for these financial statements is for the year ended 30 June 2014. The financial statements were authorised for issue by the Board of Trustees on 8 August 2014.

### **Statement of Compliance with International Financial Reporting Standards**

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

### **Measurement Base**

The measurement base applied is historical cost. The accrual basis of accounting has been used.

### **Functional and Presentation Currency**

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.

### **Significant Accounting Policies**

#### **Critical Accounting estimates and assumptions**

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Grants**

Grants received from the Wellington City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust Deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Grants are recognised as income when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as income when the conditions of the grant are satisfied.

#### **Sales**

Products held for sale are recognised when a product is sold to the customer.

#### **Donated, subsidised or vested assets**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Such income is recognised when control over the asset is obtained.

#### **Interest**

Interest income is recognised using the effective interest rate method.

#### **Volunteer Services Recognition**

The Trust benefits from the service of dedicated volunteers in the delivery of its activities. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

#### **Taxation**

The Trust is registered as a Charitable Trust and is exempt from income tax under the Income Tax Act 2004. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

#### **Goods and Services Tax (GST)**

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

#### **Debtors and other receivables**

Debtor and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months.

#### **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Inventory**

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### **Property, Plant and Equipment**

##### ***Recognition***

Property, plant and equipment consists primarily of operational assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet criteria for capitalisation are expensed.

The Trust also manages the construction and development of buildings, structures and enclosures on behalf of the Council. These assets are not recorded in the Trust's financial statements as ownership vests in the Council.

##### ***Measurement***

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

##### ***Impairment***

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use.

##### ***Disposal***

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

#### **Depreciation**

Depreciation is provided on all assets owned by the Trust excluding assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the assets are as follows:

##### ***Plant***

Audio Visual Equipment	3 years
Projector	5 years
Shade Sail	10 years
Hospital Equipment	10 years
Garden Furniture	10 years
Living Room Furniture	15 years
Endoscope	8 years

##### ***Furniture and Equipment***

Composter	10 years
CCTV	3 years
Incubators	12.5 years

#### **Work in Progress**

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

#### **Employee Entitlements**

A provision for employee benefits (holiday leave, long service leave, and retirement gratuities) is recognised as a liability when benefits are earned but not paid. The Trust recognises a liability and an expense for a one off payment where contractually obliged or where there is a past practice that has created a constructive obligation.

#### **Holiday Leave**

Holiday leave (annual leave, long service leave qualified for and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

#### **Long Service Leave and Retirement Gratuities**

Long service leave (not yet qualified for) and retirement gratuities have been calculated on an actuarial basis based on the likely future entitlements accruing to staff, after taking into account years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and other contractual entitlements information. The present value of the estimated future cash flows has been calculated using an inflation factor and a discount rate. The inflation rate used is the annual Consumer Price Index to 31 March prior to year end.

#### **Other Contractual Entitlements**

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

#### **Provisions**

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

#### **Other Liabilities and Provisions**

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

#### **Contingent Assets and Liabilities**

Contingent liabilities and contingent assets are disclosed in the notes to the financial statements. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

#### **Animal Acquisitions**

Animal acquisitions are expensed at cost.

### **Equity**

Equity is the residual interest in the Trust and is measured as the difference between total assets and total liabilities. The components of equity are retained earnings and restricted funds (special funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use whether under statute or accepted as binding by the Trust because of the specific reason for which the funds were provided.

Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

### **Statement of Cash Flows**

The statement of cash flows is prepared using the direct approach. Operating activities include cash received from all income sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to transactions that change the equity and debt capital structure of the Trust.

### **Related Parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include Wellington City Council, Group, key management personnel and the governing body (Trust Board).

Trustees' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a trustee during the reporting period. The disclosures for the Trust include the remuneration of the Trustee board as they occupy the position of a member of the governing body of the Trust.

### **Changes in Accounting Policies**

There have been no changes in accounting policies. Uniform accounting policies have been applied on a consistent basis during the year.

Standards, amendments, and interpretations issued but not effective that have not been early adopted which are relevant to the Trust include:

The NZ IFRS PBE suite of accounting standards currently applicable for Public Benefit Entities is interim, pending the introduction of a new set of New Zealand Public Sector Accounting Standards (PBE standards). The transition date to the PBE standards is 1 July 2014.

Under this framework, the Trust will be eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards. The Trust has not assessed the implications of the new accounting standards at this time.

No disclosures have been made in regard to new or amended NZ IFRS that are only applicable to 'for profit' entities.



**Ross Martin, Chair**

10. Appendix: Forecast Financial Statements

CCO: Wellington Zoo Trust Business Plan 2015/16		SNZ000's						
Estimate 30-Jun-15	EARNINGS STATEMENT	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
	<b>Revenue</b>							
2889	Trading Income	597	870	855	648	2,970	3,050	3,130
2757	WCC Grants	703	703	704	704	2,814	2,883	2,957
82	Other Grants	21	21	20	20	82	82	82
182	Sponsorships and Donations-Operational	49	76	52	60	237	237	237
730	Sponsorships and Donations-Capital					0	-	0
76	Investment Income	12	13	12	13	50	30	30
99	Other Income	25	25	25	25	100	100	100
6,815	<b>Total Revenue</b>	1,407	1,708	1,668	1,470	6,253	6,382	6,536
	<b>Expenditure</b>							
4,032	Employee Costs	1,061	1,061	1,060	1,062	4,244	4,317	4,427
1,958	Other Operating Expenses	495	522	482	489	1,988	2,045	2,102
21	Depreciation	5	5	5	6	21	20	7
0	Interest	0	0	0	0	0	0	0
730	Vested Assets				0	0	0	0
6,741	<b>Total Expenditure</b>	1,561	1,588	1,547	1,557	6,253	6,382	6,536
74	<b>Net Surplus/(Deficit) before Taxation</b>	(154)	120	121	(87)	0	0	0
0	Taxation Expense					0	0	0
74	<b>Operating Surplus (Deficit)</b>	(154)	120	121	(87)	0	0	0
74	<b>Net Surplus/(Deficit)</b>	(154)	120	121	(87)	0	0	0
1.1%	<b>Operating Margin</b>	-10.9%	7.0%	7.3%	-5.9%	0.0%	0.0%	0.0%

Estimate 30-Jun-15	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-15	As at 31-Dec-15	As at 31-Mar-16	As at 30-Jun-16		As at 30-Jun-17	As at 30-Jun-18
	<b>Shareholder/Trust Funds</b>							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
583	Restricted Funds	583	583	583	583		583	583
380	Retained Earnings	226	346	467	380		380	380
963	<b>Total Shareholder/Trust Funds</b>	809	929	1,050	963		963	963
	<b>Current Assets</b>							
2,032	Cash and Bank	2,587	2,009	2,838	2,053		2,073	2,102
30	Accounts Receivable	30	30	30	30		60	60
60	Other Current Assets	60	60	60	60		60	60
2,122	<b>Total Current Assets</b>	2,677	2,099	2,928	2,143		2,193	2,222
	<b>Investments</b>							
0	Deposits on Call	0	0	0	0		0	0
0	Other Investments	0	0	0	0		0	0
0	<b>Total Investments</b>	0	0	0	0		0	0
	<b>Non-Current Assets</b>							
48	Fixed Assets	43	38	33	27		7	0
0	Other Non-current Assets	0	0	0	0		0	0
48	<b>Total Non-current Assets</b>	43	38	33	27		7	0
2,170	<b>Total Assets</b>	2,720	2,137	2,961	2,170		2,200	2,222
	<b>Current Liabilities</b>							
830	Accounts Payable and Accruals	800	700	700	400		400	400
	Provisions						0	0
365	Other Current Liabilities	1,099	496	1,199	795		837	859
1,195	<b>Total Current Liabilities</b>	1,899	1,196	1,899	1,195		1,237	1,259
	<b>Non-Current Liabilities</b>							
0	Loans - WCC	0	0	0	0		0	0
0	Loans - Other	0	0	0	0		0	0
12	Other Non-Current Liabilities	12	12	12	12		0	0
12	<b>Total Non-Current Liabilities</b>	12	12	12	12		0	0
963	<b>Net Assets</b>	809	929	1,050	963		963	963
1.8	<b>Current Ratio</b>	1.4	1.8	2	1.8		2	1.8
44.4%	<b>Equity Ratio</b>	29.7%	43.5%	35.5%	44.4%		43.8%	43.3%

Estimate 30-Jun-15	STATEMENT OF CASH FLOWS	Qtr to Sep-15	Qtr to Dec-15	Qtr to Mar-16	Qtr to Jun-16	Total YE Jun-16	Total YE Jun-17	Total YE Jun-18
	<i>Cash provided from:</i>							
2,889	Trading Receipts	597	870	855	648	2,970	3,050	3,130
2,757	WCC Grants	1407	0	1407	0	2,814	2,883	2,957
82	Other Grants	21	21	20	20	82	82	82
912	Sponsorships and Donations	49	76	52	60	237	237	237
76	Investment Income	12	13	12	13	50	30	30
99	Other Income	25	25	25	25	100	100	100
6,815		2,111	1,005	2,371	766	6,253	6,382	6,536
	<i>Cash applied to:</i>							
4,032	Payments to Employees	1,061	1,061	1,060	1,062	4,244	4,317	4,427
1,958	Payments to Suppliers	495	522	482	489	1,988	2,045	2,080
	Net GST Cashflow					0	0	0
730	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
6,720		1,556	1,583	1,542	1,551	6,232	6,362	6,507
95	<b>Total Operating Cash Flow</b>	555	(578)	829	(785)	21	20	29
	<b>Investing Cash Flow</b>							
	<i>Cash provided from:</i>							
	Sale of Fixed Assets					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
0	Purchase of Fixed Assets					0	0	0
	Other -vesting Cash for Capital Projects					0	0	0
0		0	0	0	0	0	0	0
0	<b>Total Investing Cash Flow</b>	0	0	0	0	0	0	0

Estimate 30-Jun-15	<b>STATEMENT OF CASH FLOWS (CONT)</b>	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
	<b>Financing Cash Flow</b>							
	<i>Cash provided from:</i>							
	Drawdown of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
	Repayment of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
0	<b>Total Financing Cash Flow</b>	0	0	0	0	0	0	0
95	<b>Net Increase/(Decrease) in Cash Held</b>	555	(578)	829	(785)	21	20	29
1,937	<b>Opening Cash Equivalents</b>	2,032	2,587	2,009	2,838	2,032	2,053	2,073
2,032	<b>Closing Cash Equivalents</b>	2,587	2,009	2,838	2,053	2,053	2,073	2,102

Estimate 30-Jun-15	<b>CASH FLOW RECONCILIATION</b>	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
74	<b>Operating Surplus/(Deficit) for the Year</b>	(154)	120	121	(87)	0	0	0
	<b>Add Non Cash Items</b>							
21	Depreciation	5	5	5	6	21	20	7
	Other (Gifted Hospital Assets)		0		0	0	0	
95		(149)	125	126	(81)	21	20	7
	<b>Movements in Working Capital</b>							
	(Increase)/Decrease in Receivables	0	0	0	0	0	(30)	0
	(Increase)/Decrease in Other Current Assets	0	0	0	0	0	0	0
	Increase/(Decrease) in Accounts Payable	(30)	(100)	0	(300)	(430)	0	0
	Increase/(Decrease) in Other Current Liabilities	734	(603)	703	(404)	430	30	22
0		704	(703)	703	(704)	0	0	22
	<b>Net Gain/(Loss) on Sale:</b>							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
95	<b>Net Cash Flow from Operations</b>	555	(578)	829	(785)	21	20	29



## Statement of Intent 2015-2016 Karori Sanctuary Trust

Presented to the Environment Committee  
pursuant to Schedule 8 of the Local Government Act (2002)

DRAFT

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## Appendices

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## 1. Introduction

This year marks the 20<sup>th</sup> anniversary of the Karori Sanctuary Trust's foundation and the establishment of New Zealand's first urban nature sanctuary - ZEALANDIA. Due to the extraordinary commitment of hundreds of volunteers, members and sanctuary staff, Wellington can boast a world leading example of ecological and habitat restoration within the urban landscape.

ZEALANDIA's state of the art Visitors Centre and Exhibition welcomes about 100,000 visitors per year, telling a unique national conservation story from the capital city. Exceptional learning experiences and community engagement programmes are designed to foster deeper connections and daily contact with the natural world.

The ZEALANDIA story is one of community action and people power. A primary role of the organisation is to increase the level of biodiversity within the city and to encourage visitors to care about their local environment and wildlife wherever they live. It is a call to action to protect their natural heritage and shape their future survival.

ZEALANDIA's 2015/16 Statement of Intent (SOI) and Business Plan provides a clear business story – from strategy, to business model, to risk management and revenue generation – in order to build a confident picture of our organisation's future resilience. It also builds on the success of the 2013/14 SOI; its recovery-focused initiatives and their systematic and progressive steps towards long term sustainability. While there is still much work to do in strengthening ZEALANDIA's capability and capacity, the Trust remains confident the organisation can deliver even more powerfully for Wellington and beyond.

This document is the Trust's plan for capitalising on those gains and briefly outlines the longer term aspirations for fully harnessing the benefits and opportunities of the sanctuary. Vital to achieving our strategy is a continuing strong partnership with Wellington City Council (WCC) and this SOI sets out our proposals for how that partnership can be expressed in 2015/16.

We believe that ZEALANDIA greatly enhances Wellington's reputation as a liveable city and that over time will only increase its contribution to the nationwide natural capital agenda. However, the Trust reiterates that the 2015/16 SOI and 10 Year Business Plan to 2025, while based on a detailed and conservative analyses of our current business, still heavily relies on the future success of our extensive partnerships. Those include WCC, Victoria University, and organisations such as Te Papa, Nature Connections partners including Wellington Zoo and Otari Wilton Bush, the Department of Conservation, the Tenth's Trust and others. These relationships have moved on considerably since last year and the key imperatives are outlined in this document.

Our future business projections reflect our strong commitment to these partnerships. Their success continues to be driven by practical, realistic operational plans and soundly based expectations of growth.

### **The second generation conservation effort**

Longer term, our aim is to be a leading centre for conservation and restoration action and research, learning and citizen engagement.

So while our core effort will be directed at continuing to manage and maintain the sanctuary, our key strategic direction is to fully play out our leadership position in the restoration sciences. Our intention is to shift the focus from an exhibition venue, where visitors drop in to view our sanctuary, to a conservation cause which enrolls activists into the race against time to save our natural heritage. Our programmes and activities will actively restore nature and equally ensure human restoration by enriching people's relationship with nature.

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This is what we mean by the second generation of conservation effort. As a focal point for citizen science, we envisage that ZEALANDIA becomes a place where you learn about nature, participate in research projects, travel in the lost ark, grow native plants, monitor native birds and take this learning back out to your communities where you earn your halo by making your world predator-free and call other people to action. We see a growing tribe of citizen scientists who champion and celebrate New Zealand's natural capital.

We are optimistic and positive about the potential for ZEALANDIA to generate greater benefits for Wellington, and to establish a more sustainable financial position. We will do this by working with others, and in particular with WCC, whose continuing support is vital in creating ZEALANDIA's sustainable future.

**Denise Church, Chair, Karori Sanctuary Trust**  
**Hilary Beaton, Chief Executive Officer, Karori Sanctuary Trust**

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## 2. Strategic Direction for 2015/2016

### 2.1 Core Purpose

The Karori Sanctuary Trust is an incorporated society and a charitable trust as well as a not-for profit organisation. As per our Trust Deed, the objects of the Trust are as follows:

- To carry out education and research into all matters pertaining to the conservation and restoration of New Zealand's natural heritage and in particular to restore representative examples of New Zealand's natural heritage.
- To establish and maintain a secure native wildlife sanctuary in the Karori Reservoir in the City of Wellington.
- To restore the reservoir area ecosystem as closely as practicable to its presumed pre-human state but allowing for construction of specific habitats to enhance its diversity and conservation values.
- To provide facilities for recreation and tourism activities.
- To seek and foster community support and participation.
- To manage and manipulate such ecosystems as may be necessary to maintain requisite populations.

**Our vision:** To be widely recognised as an essential part of Wellington's identity and natural heritage.

**Our mission:** Restore nature and bring the benefits of our natural heritage to the people of Wellington and beyond.

### 2.2 Priority Areas

In 2015/16, our priority areas are:

- A leading contributor in ecological restoration, conservation research, education, visitor experience and community involvement;
- Financial viability and sustainability with clear profit targets;
- Advocacy and inspiration for Wellington's environmentally active community;
- An economic driver for Wellington city and the Region; and lastly
- An attractor of talent and a major player in Wellington's reputation as the Natural Capital.

### 2.3 Operating Environment

#### Conservation and Biodiversity

There is an increasing awareness worldwide of the need to protect our natural environment and Wellington is uniquely placed as a capital city with nature at its heart. ZEALANDIA plays an important role in the restoration of natural biodiversity in Wellington and in a range of Wellington City led and supported initiatives including the Living City Work Programmes and the implementation of the Biodiversity Strategy. We are firmly committed to the Nature Connections and Halo projects that expand environmental programmes and enhance visitor experience in the Wellington region.

Ongoing support of other conservation and research programmes will continue and cement ZEALANDIA's leadership as a model for fenced mainland restoration projects, as well as significantly contributing to conservation of threatened species by successful transfers to the sanctuary and to other sites.

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The science of urban ecology is emerging as increasingly influential, and ZEALANDIA is well-placed to help grow momentum for this important work across the Wellington region. Our urban location, education programme, connection to the community, and visible effect upon the city's birdlife is helping to nurture a generation of Wellingtonians that treasure New Zealand's indigenous flora and fauna.

Wellington is uniquely positioned to grow as a nature capital with ZEALANDIA at its heart as a nature destination and a site for urban ecology research and community learning.

Of particular note for 2015/16 is the 100% alignment between ZEALANDIA's strategic aims and proposed actions, and the main principles of the Wellington City draft biodiversity strategy, outlined below:

- stronger recognition of the role that people play in biodiversity conservation, and the role that biodiversity plays in people's health and wellbeing;
- a new approach to supporting community groups, allowing us to support all groups while increasing their ability to run effective restoration programmes;
- a larger focus on research and monitoring to support the scientific community and make sure our programmes are managed in the most effective way; and
- a greater emphasis on leadership in the area of urban ecology.

#### **Urbanisation**

According to the United Nations, 54% of the world's population lives in urban areas and this is expected to reach 70% by 2050. Our challenge as more and more of us live in urban centres is how to ensure that we don't lose our connection to nature. Being in nature is proven to have health benefits, both physical and mental, and the protection of green spaces within cities is crucial to the wellbeing of city residents.

ZEALANDIA is a unique model of increasing value as this shift towards urbanisation continues. The protection of such a large space within close proximity to the central business district of a capital city is a model that can be looked to from around the world of an example of how to balance urban environments with natural spaces.

#### **Tourism**

Wellington has strong domestic tourism market with 75% of visitors to the city coming from other parts of New Zealand. Domestic visitors typically cite their reasons for travel as for a specific event, business or to have an urban experience.

International travellers from countries such as Germany, Scandinavia, Canada are boosting Wellington significantly. Chinese tourism has also seen large growth over the last two years and is continuing to increase. The way Chinese tourists travel in New Zealand is changing, moving away from organised tours to more self organised trips.

The cruise market continues to be a large contributor to international visits to ZEALANDIA, with 79 cruise ships scheduled to visit the city in 2014/15. These tours are often cancelled when the weather is not ideal, leaving this a vulnerable revenue stream for ZEALANDIA.

#### **Technology**

ZEALANDIA is continuing to use social media as a way of engaging with communities, fostering dialogue and advocacy for our message.

In February 2014, Wellywifi was installed in our Visitor Centre which has had a very good uptake of the service. We are continuing to look at options to extend this access into the valley, which would improve both visitor experience and research functions. Revamping our website and enabling simpler bookings capability and purchasing, has the potential for increasing visitation and revenue generation.

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The use of leading edge technology will significantly enhance conservation management. Being at the forefront of developing apps specifically for use in sanctuaries and education programmes is also on our agenda.

#### **Our Positioning**

The focus in 2014/15 was on building a foundation for ZEALANDIA's future.

An all of organisation realignment was completed, creating work programmes with responsibility over key accountability areas: membership, conservation, biosecurity, health and safety, volunteer management. Alongside this, systems and processes have been established to support the work of the sanctuary. As a result, the organisation is working more cohesively and efficiently.

We have refreshed our product offering and enhanced our visitor experience. The development of an annual programme encourages visitors to the sanctuary throughout the year and removes the perception of ZEALANDIA as a summer only destination. Our membership offer has also been refreshed and now includes early member-only access to the sanctuary which has been received very positively.

The media coverage of ZEALANDIA has been consistently positive and focused on the conservation successes of the sanctuary and research projects and collaborations.

As we move into 2015/16 we will build upon this foundation, solidifying our place within the community and moving ZEALANDIA towards a sustainable future as a major contributor to Wellington's outstanding position as a great place to live, work and visit.

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## 2.4 Strategic Framework

Wellington towards 2040: Smart Capital  
Priority One: an inclusive place where talent wants to live



**Mission:**

Restore nature and bring the benefits of our natural heritage to the people of Wellington and beyond

**Vision:**

Widely recognised as an essential part of Wellington's identity and natural heritage



**Our Goals**



**Our Key Strategies**

## 2.5 Goals

The following five goals have been identified as for 2015/2016:

- ZEALANDIA will be on track to becoming a sustainable business, relevant and integrated with the community.
- ZEALANDIA's visitors will be moved, touched and inspired to act on our call to action.
- ZEALANDIA's reputation will be firmly aligned with our contribution to Wellington city.
- ZEALANDIA will be on track to becoming an internationally recognised centre for conservation research, learning and engagement.
- ZEALANDIA will extend further to the backyards of Wellington's residents.

## 2.6 Key Strategies

Key strategies have been developed in order to achieve the five goals above. Each strategy contributes to Wellington City Council initiatives and this relationship is outlined below.



**Key Strategy 1: ZEALANDIA will be on track to becoming a sustainable business, relevant and integrated with the community**

ZEALANDIA is focused on becoming a sustainable business across every aspect of our organisation. This goal is central to every strategy identified as a priority for 2015/16.

ZEALANDIA has been through a significant period of change with the organisational realignment that was completed in October 2014. The realignment was challenging with a large number of staff changes and the transformation of the organisation structure was a steep learning curve. Despite these challenges, the organisation has continued to perform over this period and as new staff settle into their positions, the benefits are beginning to show.

Financial sustainability is key for the organisation and ZEALANDIA is committed to meeting the budget set for 2015/16. This will be achieved by careful monitoring of expenditure and the continued development of diverse revenue streams.

Included in these revenue streams is a continued emphasis on donations and third party funding. A systematic approach to grant applications has been applied in 2014/15 and this is already having an impact on grants received. This approach will continue in 2015/16. Discussions are also underway to set up a pass-through agency in the United States to allow our annual 3,500 American visitors to donate to the sanctuary. Donor care will continue to be a focus and a donor conversion programme will be implemented, transforming one off donors to ongoing monthly givers.

A broad perspective is required for ZEALANDIA to become a sustainable business. Alongside financial management, the success of the organisation relies on careful future planning of the sanctuary landscape. The long term vision for the valley has been outlined in the Sanctuary Blueprint project and 2015/16 will see the first phase of this project implemented.

Success also relies on ZEALANDIA having a strong foundation and being equipped to efficiently carry out its work. This requires reliable equipment and clear systems, policies and procedure to provide a stable platform for the organisation.

**Key Strategy 1: Initiatives and Targeted Outcomes**

Strategic Initiative	Targeted Outcome
1. Diversify revenue streams	Establish commercial partnerships with organisations that are aligned with ZEALANDIA’s vision
	Implement donor conversion programme
	Implement corporate sponsorship programme
	Improve premium product offering
	Develop a Corporate Team Building product
	Establish an event programme for Rata Cafe
	Progress the refurbishment of the top floor exhibition to create a multi-functional space that will provide greater venue hire options
2. Implement the Sanctuary Blueprint project	Complete Phase 1 valley enhancements of the Sanctuary Blueprint project
3. Improve organisational capability	IT capability across the organisation is improved with the server software upgrade and rollout of upgraded computers and software to staff
	Automation of membership renewal process
	Website upgrade and improved online booking system

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Strategic Initiative	Targeted Outcome
	Review and update POS
	Investigate options for improved CRM database
	Full review of organisation policy and procedures completed

**Key Strategy 1: Relationship with Wellington City Council Initiatives**

WCC Strategic Initiative	ZEALANDIA's Contribution to Key Outcomes of WCC Initiative
Our Living City Work Programme	<i>Growing and enjoying our natural capital. Transforming our economy and reducing impact.</i>
Our Capital Spaces Framework	<i>Contribute to Wellington's outstanding quality of life. Doing it together.</i>
Wellington Regional Economic Development Agency	<i>Attract, retain and grow investment, business and talent, to create jobs and to support economic growth in Wellington region. Destination Wellington.</i>

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**Key Strategy 2: ZEALANDIA’s visitors will be moved, touched and inspired to act on our ‘call to action’**

Through our various touch points with our community- conservation, research, education and tourism – our annual programme will work on a ‘call to action’ which asks people to question current human behaviours and offer them alternative ways of thinking about their relationship to nature.

In 2015/16 we will continue our annual public programme that defines ZEALANDIA as a leading conservation restoration site and determines key messages that will be consistent with current global challenges. By giving visitors an understanding of ZEALANDIA’s goals in the urban environment and the value of the work that we do, they are more likely to engage with us and act as ambassadors for our message.

This level of engagement will encourage more people to visit the sanctuary and spread the message of the significant role ZEALANDIA plays in restoring our natural heritage to Wellington city and beyond. It will also encourage people to initiate action in other local, national or international restoration work.

**Key Strategy 2: Initiatives and Targeted Outcomes**

Strategic Initiative	Targeted Outcome
4. Define a clear identity for ZEALANDIA in the urban environment	Identify key messages and make these consistent throughout our programme
5. Improve visitor experience through the articulation and presentation of our story	Implement annual visitor experience programme
	Professional development of staff/volunteers in telling our story
	Complete signage projects that tell the story of the sanctuary
	Establish Kids Trail and plan for matauranga Maori focus
	Improve accessibility
6. Increase presence/profile within our community	Animate various exhibition spaces throughout the Visitor Centre to tell our story via exhibitions and annual programming events
	1,500 people reached via attendance at community events ZEALANDIA is represented and visible at a least five city events

**Key Strategy 2: Relationship with Wellington City Council Initiatives**

WCC Strategic Initiative	ZEALANDIA’s Contribution to Key Outcomes of WCC Initiative
Our Living City Work Programme	<i>Growing and enjoying our natural capital. Environmental leadership</i>
Our Capital Spaces Framework	<i>Contribute to Wellington’s outstanding quality of life. Doing it together.</i>
Wellington Regional Economic Development Agency	<i>Destination Wellington.</i>
Draft Biodiversity Strategy & Action Plan	<i>Creating a stronger sense of place, where Wellington recognises and protects significant features of its natural heritage</i>



**Key Strategy 3: ZEALANDIA’s reputation will be firmly aligned with our contribution to Wellington city**

In the 2014 Nielsen Quality of Life Survey, 92% of Wellington residents said that the city is a great place to live. The survey demonstrated that rankings for quality of life and city pride are greater in Wellington than the national average.

ZEALANDIA is a significant contributor to this quality of life. The availability of a 225ha sanctuary just minutes from the centre of a capital city is not only unique but provides many benefits to residents. It provides a place to connect with our native flora and fauna and to educate our children on the importance of protecting our natural heritage. The sanctuary is a place for our students to conduct research and provides all Wellingtonians with the opportunity to engage in a practical restoration project via membership and volunteering. It is also a place where people come to exercise and feel safe. Crucially, it is the source of the native birdlife that is spreading throughout the city so that the benefits of the sanctuary are shared with all Wellington residents regardless of whether they visit.

Through our deepening relationship with Council and as we move beyond the fence and strengthen ties with our community, we will align our reputation with the city. Our goal is to have the people of Wellington love ZEALANDIA as they love the city.

**Key Strategy 3: Initiatives and Targeted Outcomes**

Strategic Initiative	Targeted Outcome
7. Align ZEALANDIA’s reputation with Wellington City	ZEALANDIA’S 20th Anniversary is celebrated by the community
	Increased visibility through our Outreach programme
	Regular, proactive release of good news stories

**Key Strategy 3: Relationship with Wellington City Council Initiatives**

WCC Strategic Initiative	ZEALANDIA’s Contribution to Key Outcomes of WCC Initiative
Our Living City Work Programme	<i>Growing and enjoying our natural capital.</i>
Our Capital Spaces Framework	<i>Contribute to Wellington’s outstanding quality of life. Doing it together.</i>
Wellington Regional Economic Development Agency	<i>Destination Wellington.</i>
Draft Biodiversity Strategy & Action Plan	<i>Making Wellington more liveable. Wellington’s natural environment is more accessible to all for a wide range of social and recreational opportunities. Creating a stronger sense of place, where Wellington recognises and protects significant features of its natural heritage. Healthier, with the protection of land and water based ecosystems to sustain natural processes. Wellington is a “living city”, one that protects and restores indigenous biodiversity and celebrates nature.</i>
Accessible Wellington Action Plan	<i>Promoting inclusion. All Wellingtonians can use and enjoy open spaces for a wide range of social and recreational purposes.</i>



**Key Strategy 4: ZEALANDIA will be on track to becoming an internationally recognised centre for conservation research, learning and engagement**

Our partnerships are vital to furthering our position as a world leading conservation research centre and work is continuing to develop and strengthen these relationships.

Discussions with Victoria University regarding the establishment of a Centre for Science and Society that connects the work of conservation restoration with the broader community, have progressed over the past year and a Concept Document and subsequent draft Memorandum of Agreement (MOA) for this relationship has been developed. This partnership will increase our research capacity, creating a ‘living laboratory’ resource for study as well as a centre for citizen science engagement that benefits both the research community and Wellington’s residents. We aim to have the MOA in place by the end of June 2015 and for work to begin in 2015/16.

Research is central to ZEALANDIA’s conservation effort. In 2015/16 we will develop a targeted research programme with VUW that ensures we proactively engage with the national agenda for conservation restoration and community engagement. To ensure that science and knowledge are seen as an embedded part of ZEALANDIA, it is important the research that we complete is published. We aim to publish key research achievements as part of our 20<sup>th</sup> Anniversary celebrations.

While our primary partnership is with VUW in the creation of a centre for science and society and the establishment of a Strategic Scientific Steering group, we will continue to have a relationship with other tertiary organisations both national and international as well as other research organisations such as Landcare Research.

One aspect of the partnership with VUW is ZEALANDIA’s commitment to establishing a “Thinker-in-Residence” at the sanctuary; a position and responsibility that will be larger than just the concerns of the sanctuary. This will provide numerous other science and education related opportunities for our partners in the tertiary and public engagement spheres.

It is also the intention of the partnership to broaden the pursuit of peoples’ connection to nature and to create a hub where this can be explored, experimented and examined. The planned multi-functional space within ZEALANDIA’s Visitor Centre will also act as a lecture theatre, incubator, function and conference space as well as an area for education activities and entertainment.

While this work will not be completed in 2015/16, we do intend to take significant first steps towards an initiative which will form a defining part of ZEALANDIA’s second generation contribution for Wellington.

**Key Strategy 4: Initiatives and Targeted Outcomes**

Strategic Initiative	Targeted Outcome
8. ZEALANDIA is recognised internationally as research centre	MOA is reached with Victoria University for a centre of science and society
	Recruitment of a manager for Centre of Science, jointly funded by VUW and ZEALANDIA
	Develop a research programme
	Publication of key research outcomes for 20th Anniversary
	Strategic Scientific Steering group established



**Key Strategy 4: Relationship with Wellington City Council Initiatives**

<b>WCC Strategic Initiative</b>	<b>ZEALANDIA's Contribution to Key Outcomes of WCC Initiative</b>
Our Living City Work Programme	<i>Growing and enjoying our natural capital. Transforming our economy and reducing impact Environmental leadership</i>
Our Capital Spaces Framework	<i>Protect our birds, nature, streams and landscape Contribute to Wellington's outstanding quality of life Doing it together</i>
Wellington Regional Economic Development Agency	<i>Encourage links between Wellington's tertiary education and research institutions and the business community</i>
Draft Biodiversity Strategy & Action Plan	<i>Making Wellington more liveable Creating a stronger sense of place, where Wellington recognises and protects significant features of its natural heritage More actively engaged, where a collaborative participatory approach is pursued for environmental kaitiakitanga (guardianship) by information sharing and establishing partnerships Wellington is a "living city", one that protects and restores indigenous biodiversity and celebrates nature.</i>

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**Key Strategy 5: ZEALANDIA extends to the backyards of Wellington’s residents**

A significant outcome of the conservation success of ZEALANDIA is demonstrated by the native birdlife spilling over the sanctuary’s perimeter fence and into the city. ZEALANDIA’s ongoing success is essential to Wellington as the ongoing source of this native wildlife.

In 2015/16, our goal is to help native birdlife successfully establish outside the sanctuary by helping improve security beyond the perimeter fence. We will educate our visitors on how to make their backyard a safe place for our native birdlife, and work with WCC and other community groups to successfully control animal pests, thereby creating safer areas for these species to spread to.

We will actively engage with schools and communities by taking the messages and means to start their own backyard restorations. This will be done in collaboration with existing programmes and organisations working in isolation. Steps have already been made through Nature Connections and WWF to expand the reach and relevance of our resources.

**Key Strategy 5: Initiatives and Targeted Outcomes**

Strategic Initiative	Targeted Outcome
9. ZEALANDIA extends to residents’ backyards	Invite residents of Kaori to become the first wildlife safe suburb
	City residents report increasing numbers of native birdlife in their gardens
	Distribute education materials on how to attract native fauna and keep them safe eg. lizard garden, traps etc
	Increase the number of households actively managing pests in their backyards

**Key Strategy 5: Relationship with Wellington City Council Initiatives**

WCC Strategic Initiative	ZEALANDIA’s Contribution to Key Outcomes of WCC Initiative
Our Living City Work Programme	<i>Growing and enjoying our natural capital. Environmental leadership</i>
Our Capital Spaces Framework	<i>Protect our birds, nature, streams and landscape Contribute to Wellington’s outstanding quality of life Doing it together</i>
Draft Biodiversity Strategy & Action Plan	<i>Making Wellington more liveable Wellington’s natural environment is accessible to all Creating a stronger sense of place, where Wellington recognises and protects significant features of its natural heritage More actively engaged, where a collaborative participatory approach is pursued for environmental kaitiakitanga (guardianship) by information sharing and establishing partnerships Wellington is a “living city”, one that protects and restores indigenous biodiversity and celebrates nature</i>
Accessible Wellington Action Plan	<i>Promoting inclusion</i>

### 3. Ten Year Outlook

In order to deliver our 10 Year Strategic Plan, our efforts are focused on a five point plan as detailed below, which is in line with WCC's own strategic direction.

#### Focus 1: Create a Financial Surplus to Allow Investment

At the core of the 10-Year Strategic Plan is the clear goal for ZEALANDIA to become a sustainable social enterprise, blending the best of its community contribution and connection with well honed professional input. To make this shift we need capacity as well as capability. Some financial head room will allow us to invest in those things that matter and that directly contribute to the success of the sanctuary, namely:

- Our People – the experience we give our visitors and members, volunteers and staff, our investment in our conservation research, education and learning; and
- Our Place – the valley, the wildlife, our facilities, equipment, the exhibition and our administrative systems and services.

With this in mind, a full diagnostic has been completed of our budgets and a programme has been developed based around four cost/revenue centres:

- Sanctuary Experience
- Sanctuary Enterprises
- Sanctuary Care and Preservation
- Sanctuary Corporate Services

Each of these four programmes has a dedicated manager, focused on driving the success of their area in both revenue raising and expenditure containment. The creation of the Strategic Management Team (SMT), completed in 2014, has enabled us to respond effectively to the challenges of managing a social enterprise.

#### Focus 2: Ensure the Organisation is fit for Purpose

We have already completed a review of our financial and IT systems, a record management project and HR realignment. The ZEALANDIA Way project (defining our ethos and culture) and the Valley Blueprint phase 1 (redefining activity areas within the sanctuary) are near completion.

#### Focus 3: Invest Wisely

The 10-year vision relies on the development of a strategic programme developed by the Trust with management. This big picture view will allow us to invest both our time and finances wisely, in the areas that are most critical to the success of ZEALANDIA.

This strategic programme includes a fundraising strategy, divided into first and second tier priorities. The first tier priorities are focused on scene setting, engaging with currently active members, donor care, database management and developing relationships with our existing supporters. The second tier priorities are broadening our wider philanthropic engagement, identifying specific events including annual member appeals, grants/bequests and developing relationships with new sponsors.

#### Focus 4: Partnerships

The strong partnerships that ZEALANDIA has developed are a vital part of our 10-year plan. Our relationship with Victoria University is progressing and we believe this partnership will connect people to nature for the benefit of both, creating a better Wellington for us all.

Conversations are ongoing with Te Papa and we are also reinvigorating our relationships with other conservation sites through Nature Connections in which we are lead partner with Wellington Zoo. We have secured some new business arrangements with ZIP Ltd and Tuatara Brewing; Forest and Bird, Department of Conservation and Parks and Gardens, as well as Volunteers Wellington.

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**Focus 5: Open for Business**

For ZEALANDIA to succeed, we need to be responsive, it needs to be easy to do business with us and it needs to be easy to visit the sanctuary. A recent membership survey resulted in an immediate implementation to a paperless option for renewals, marks a new era of responsiveness, proving our commitment to meeting the needs of our community. There is more to come.

In keeping with this, we reviewed our opening hours in response to nature, considering longer hours in summer, shorter hours in winter and the early opening hours this summer has been warmly received. We also have plans to diversify our revenue streams with an increase focus on conferences, corporate groups and consultation services.

We have a lot to do. We aim to be a world-leader in the space of conservation restoration. We are outward-looking in our aspirations and with our endeavours reaching beyond the fence. Ours are lofty goals which we can achieve by focusing the organisation on strategic priorities and with the support and enthusiasm of our staff, volunteers and members, along with our active partnerships with other Wellington organisations. This is an exciting time to be a part of the ZEALANDIA journey.

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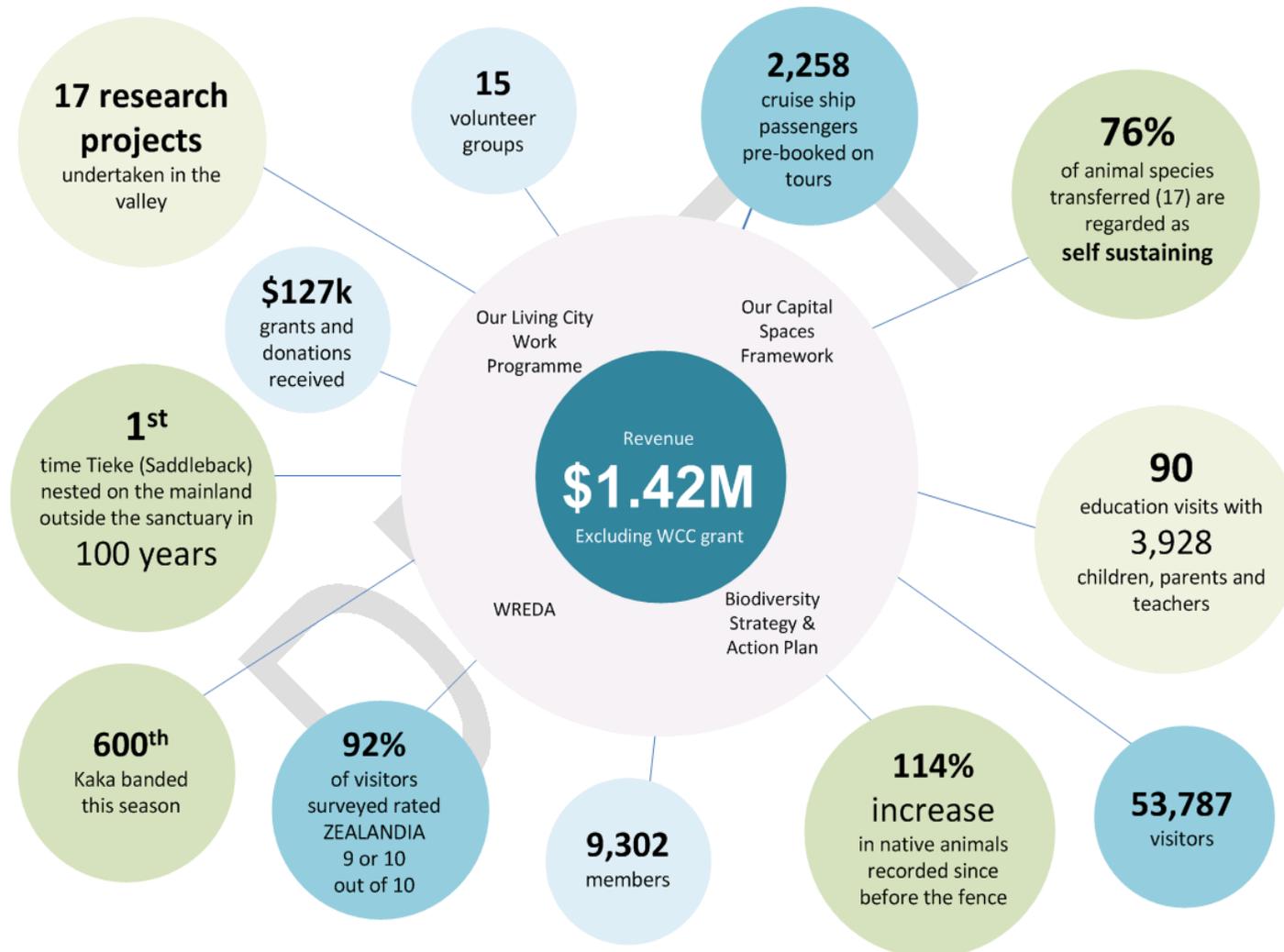
#### **4. Nature and Scope of Activities**

##### **4.1 Core Business**

- Undertake conservation activities to restore the valley's ecosystems and processes as closely as practicable to their presumed pre-human condition, assuming the dams blocking the stream are representative of natural stochastic events that may have had the same effect. Integral to this is to increase natural biodiversity representative of the Wellington Ecological District in the sanctuary and beyond the perimeter fence, as well as to support national species recovery programmes and restoration work elsewhere where possible.
- Undertake and support research that will increase our understanding about the flora, fauna, and their habitats and ecological processes that threaten or sustain them, and that can inform and benefit restoration initiatives elsewhere in New Zealand. The use of the sanctuary as a place of learning and research is encouraged.
- Contribute to conservation through our work at ZEALANDIA, advocacy and through our engagement with the community. We seek and foster community support and participation.
- Maintain a secure native wildlife sanctuary in the City of Wellington.
- Provide visitor experience and education programmes to increase their understanding of New Zealand's natural heritage, and the conservation challenges and successes here and elsewhere.
- Provide facilities for engaging visitor experience and recreation.

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4.2 Contributions to the City



Figures for 2014/15 year as at end of January 2015

## 5. Performance Measurements

### 5.1 Non-financial Performance Measures

	2014-15 Target	2015-16	2016-17
Visitation	91,400	95,947 <sup>1</sup>	93,600
Members (Individuals)	10,000	10,200	10,400
Volunteers	>400	>400	>400
Percentage of Satisfied Visitors	92%	93%	93%
City-residents' awareness	86%	87%	88%

<sup>1</sup> Note that 2015/16 is a year where Sirocco will be at ZEALANDIA and this will generate a significant number of visits in the usually quiet winter period.

Quarter target	Q1	Q2	Q3	Q4	2015-16
Visitation	18,307	26,346	29,038	22,256	95,947
Education visits (LEOTC, tertiary, early childhood, school holiday programme, and outreach)	2,197	2,088	1,585	2,508	8,378

The Trust notes Council's request to be presented with a richer understanding of visitor demographics and education related usage of the sanctuary.

The visitor information that Council has requested is collected by the Trust and can readily be provided. Details such as where visitors reside and how they heard about us, are collected at the admissions desk. Member visits are also recorded daily and tracked on a weekly basis.

A member survey was recently conducted which provided invaluable information about visitor patterns, satisfaction and preferences. This survey will be completed annually and the findings will be presented to WCC.

ZEALANDIA also uses GetSmart, an online visitor survey that is used by approximately 10 nature based attractions across Wellington, which provides valuable benchmarking information. This survey collects information on the reason for visiting, duration of visits, visitor demographics and satisfaction ratings.

A summary and analysis of this information will be provided to WCC on a quarterly basis, to provide the richer picture of visitation to the sanctuary.

Detailed information of education visits is also recorded. The trust will provided a summary and analysis of this information to WCC on a quarterly basis. This quarterly report will include updates on programme, community outreach initiatives and outline the strategies in place to continually develop this area of the business.



**5.2 Financial Performance Measures**

Measure	2014-15 Target	2015-16	2016-17
Full cost per visitor (including WCC costs)	\$16.52	WCC to provide	
Average subsidy per visit (total WCC operating grant/all visitors)	\$ 9.57	\$ 9.12	\$9.35
Average revenue per visit (excludes Council & Government grants)	\$27.46	\$ 30.24	\$28.99
Non-Council Donations/Funding	\$150k	\$250k	\$250k

**5.3 Conservation Measures**

The Trust notes Council’s request to consider alternative methods of recording and presenting conservation measures and agrees that more meaningful reporting on these KPIs is required.

Measures have been set based around three critical success factors:

**Success Factor 1:** Maintain and restore viable populations of indigenous plants and animals in accordance with the Restoration Strategy.

**Success Factor 2:** Manage the welfare of species held in captivity appropriately to ensure successful breeding outcomes.

**Success Factor 3:** Maintain the integrity of the valley through effective monitoring and management of threats (plant and animal pests), and quarantine and contingency planning.

Conservation Measures	2015-16	2016-17
Restore missing species to the wild in accordance with the Restoration Strategy		
Number of new animal species transferred	1	1
No. animal species being actively managed (supplementary fed, nestbox management, banding etc) assuming 1 new species transferred/annum	9	10
No. animal species being monitored (assuming 1 new species transferred/annum)	12	12
Percentage of transferred animal species (17) regarded as self-sustaining (assuming ongoing management)	76%	76%
Improve the population status of nationally threatened species present		
Number of threatened species present (excluding species held for advocacy or temporarily eg. takahe, kakapo)	4	4
Number of threatened species actively managed	3	3
Percentage of threatened species actively managed that increase or are regarded as self-sustaining	3	3
Manage species held for captive breeding purposes to ensure they remain healthy and breed successfully		
No. species of held for captive breeding	2	2
No. species breeding successfully	2	2



Conservation Measures	2015-16	2016-17
Monitor animal pest status, control mice & successfully respond to any incursions		
Mice maintained at levels below or similar to previous years (abundance per100 trap nights)	<10	<10
No. invasive mammalian species actively searched for (eg by audits)	7	7
Percentage incursions successfully eradicated	100	100
No. biosecurity incursions	0	0
Monitor plant pest status and reduce distribution of environmental weeds (currently 123) within and near the fence perimeter		
No. species actively controlled or surveyed	44	44
No. species where control has achieved a decline to low levels of infestation	86	88

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## 6. Board's Approach to Governance

The Karori Sanctuary Trust (KST) is governed by a Trust Deed, first executed in 1995 and most recently updated in December 2012.

### 6.1 Relationship with Council

The Board of the KST has two Council appointed members (including Chair) and three members appointed by the Guardians of the Trust.

The Wellington City Council (WCC) is a strategic partner, trustee appointee, a major funder and landlord of the KST. As part of the strengthened partnership model a new governance structure for the KST that clarifies the relative roles of the Council, the Guardians and Trust board was implemented in December 2012.

The existing Funding Deed between the Council and the Trust sets out WCC's reporting and monitoring regime and the conditions for major transactions requiring WCC approval. The Trust will report quarterly to WCC through the Environment Committee on the agreed measures, which will include a Statement of Financial Performance, Statement of Financial Position and Cash Flow Statement.

The Trust's audited accounts will be presented to WCC by due date. The Trust will continue to recognise the Council as a principle funder.

The principles governing the relationship between the Trust and WCC are:

- Council will be provided with access to information it requests.
- A "no surprises" approach.
- Work in a collaborative and constructive manner recognising each other's viewpoints and respecting differences.
- Act towards each other honestly and always in good faith.
- Communicate with each other openly, promptly and in a clear and timely manner.
- Recognise the accountabilities that each have to the other and to those for the benefit of whom services are provide.

### 6.2 Board Membership

The members of the Karori Sanctuary Trust are as follows.

Trustee	Term Expires
<b>Denise Church</b> (Chair) Appointed by Council	January 2016
<b>Phillip Meyer</b> Appointed by Council	January 2016
<b>Charles Daugherty</b> Appointed by Guardians	January 2016
<b>Pam Fuller</b> Appointed by Guardians	January 2016
<b>Steven Thompson</b> Appointed by Guardians	January 2016

The KST Trust Deed, that outlines the roles of the Trust and the Guardians was updated and signed in December 2012. All trustees may receive an honorarium set by the Council and Guardians.

The Trust Board shall meet no less frequently than eight times a year.

The Chief Executive attends all meetings accompanied by her/his management team as required.

Under the terms of the Trust Deed, the Board is required to have an Audit and Risk Committee. Members of the Audit and Risk Committee are Denise Church, Phillip Meyer and Iain Craig.

Other than the Audit & Risk Committee, the Board does not consider further formal committees are required. However, Trustees will contribute knowledge and skills across a range of work areas over the 2015/16 year and may from time to time contribute to working groups established by the Chief Executive.

### **6.3 Board Performance**

The Chair and the Board as a whole will participate in an annual review of their performance as follows:

- the Board as a whole by the Board;
- Individual Board members by the Board, through the Chair; and
- the Chair by the Board.

The method/standards used to assess the performance will be based on the standards as issued by the NZ Institute of Directors adapted for the KST. From these reviews, development needs and any other actions required to ensure best practice governance and performance standards will be determined and implemented.

The Board undertook an externally supported self review in November 2014 and will revisit follow on actions from the review in mid-2015.

A report will be provided to WCC Chief Executive outlining the form the review took and the outcomes. The review will be completed by 30 September 2015.

The Board will undertake an annual review of the Chief Executive's performance.

The Council is a strategic partner and major funder of the KST. The Funding Deed between the Council and the Trust sets out the Council's reporting and monitoring regime and the conditions for major transactions requiring Council approval.

### **6.4 Annual General Meeting**

As per established practice the KST holds an Annual General Meeting (AGM) each year of members to discuss the Annual Report and current strategies. The Board establishes a date for the AGM in consultation with the Guardians. In 2014 the AGM was held on 19<sup>th</sup> October and was well attended.

The AGM in 2015 will be held in October.

## 7. Organisational Health, Capability and Risk Assessment

### 7.1 Organisation Health and Capability

Our aim is deliver our work by attracting and retaining talented and capable staff and through strategic partnerships. Critical to our success is having experienced and motivated staff. Training and professional development for staff will continue to be a priority for 2015/2016.

We will continue to work closely with Victoria University, WCC (e.g. shared services initiative) and other partners to enable to build the capability and credibility of the organisation.

### 7.2 Executive Team

Hilary Beaton	Chief Executive Officer
Kylie Smith	Corporate Services Manager
Ian Phillips	Commercial Development Manager
Raewyn Empson	Conservation, Research, Learning and Experience Manager
Russ Drewry	Sanctuary Care and Preservation Manager

### 7.3 Environmental Practices

The KST is committed to and incorporates sustainable practices. ZEALANDIA is awarded the Qualmark's Enviro Gold accreditation.

### 7.4 Health & Safety Legislation

KST has robust health and safety systems in place and a detailed Emergency Procedure Action Plan.

The Trust has been making provisions to transition and prepare for the expected changes in Health and Safety legislation which is expected to come in to effect in the second half of 2015. In response to these anticipated changes, the KST is progressing the following initiatives:

- Changing the reporting information and structure leading to increased Board involvement and awareness;
- Identifying the organisation's officers and making them aware of their due diligence responsibilities;
- Looking at other the Persons Conducting a Business or Undertaking (PCBUs) that the Trust deals with and requiring more robust evidence of their suitability and pertinent qualifications before engaging them (or partnering with them in joint activities);
- Increasing institutional knowledge in Health and safety matters through training and attendance of seminars; and
- Giving employees and volunteers a more inclusive role in the identification and management of health and safety matters.

This process will continue to evolve as the legislation is published and the new guidelines and requirements become clearer and we will continue to foster a collaborative and proactive approach both internally and externally with our partners.

### 7.5 Asset Management Plan

The KST is focused on ongoing, prudent asset management. In 2015/16 we will undertake a review of all our assets and develop a robust Asset Management Plan. This plan will fully account for all ongoing costs associated with the management of our assets and further inform our future planning. The Trust will work constructively with WCC to take advantage of Council's capability in asset management.

**7.6 Business Continuity Plan**

The KST will review its Business Continuity Plan in 2015/16 and will seek endorsement of the plan by WCC’s Manager Risk Assurance.

**7.7 Risk Management**

The KST has a robust risk management process which is monitored by an Audit and Risk committee. This committee reports to the Board. The KST has robust fit-for-purpose systems and processes and financial delegations.

The KST has insurance policies for Material Damage, Business Interruption, Combined Liability (Public, Employer, Statutory, Fidelity Guarantee and Lawsafe) and Trustee Liability.

The Trust regularly reviews all known and potential risks using standard risk methodology and has robust health and safety systems in place. Risk ratings are determined using the following matrix.

Likelihood	Impact			
	Minor (1)	Moderate (2)	Major (3)	Severe (4)
Almost Certain (5)	Medium	High	High	High
Likely (4)	Medium	Medium	High	High
Possible (3)	Medium	Medium	Medium	High
Unlikely (2)	Low	Low	Medium	Medium
Very Unlikely (1)	Low	Low	Low	Medium

For medium and high risks, control systems and management strategies are established, as appropriate. The objective is to reduce the residual risk to the point where all cost-effective mitigations have been put in place. The Audit and Risk committee is responsible for reviewing these strategies. The Trust’s management is responsible for their implementation. There are four response types, depending on the risk assessment and cost effectiveness considerations. These are:

- **Avoidance:** To eliminate the conditions that allow the risk to be present at all, often by changing or stopping the activity.
- **Acceptance:** To acknowledge the risk’s existence, but to take no pre-emptive action to resolve it, except for the possible development of contingency plans should the risk event come to pass.
- **Mitigation:** To minimise the probability of a risk’s occurrence or the impact of the risk should it occur.
- **Deflection:** To transfer the risk (in whole or part) to another organisation, individual, or entity – such as through insurance.

This section of identified risks and their ratings relate to the performance of 2014/2015 financial year.

Risks	Likelihood Rating	Impact Rating	Overall Rating	Control System/ Mitigation Strategies
Failure to achieve budget as set in 2014/15 SOI.	Possible	Severe	High	Budget control; regular reviews; monthly reforecasting of end of year result. Expenditure control.
Staff fraud.	Possible	Severe	High	Policy and procedures in place that cover delegations, signatures, cash handling etc. Code of Conduct in place. Audit- review.
Commercial revenues not achieved (membership, admission, retail, cafe/functions etc).	Likely	Major	High	Regular review (weekly). Review of trends and actions. Addressing early signs immediately. New programmes/initiatives introduced.
Significant site incident causing harm or death to staff or visitors.	Unlikely	Severe	Medium	A comprehensive health and safety plan is in place and regularly reviewed. H&S KPIs established to encourage early reporting of potential hazards. Hazard Register is in place and regularly reviewed. Clear communication to visitors of safety rules. Clear communication to staff and volunteers. Event management process.
Failure to maintain its position as one of the leading fenced sanctuaries resulting in lack of credibility and reduced visitor numbers.	Possible	Major	Medium	Ensure competent staff. Ensure conservation work is not compromised. Proactively maintaining a wide network of experts and partners. Relationship with stakeholders. Acknowledging the development of a number of new Sanctuaries around NZ and highlighting the work we are doing.
Staff experience health and safety issues due to current accommodation.	Possible	Major	Medium	A comprehensive health and safety plan is in place and regularly reviewed and action taken. WCC funding for renovations to the admin building at 31 Waiapu Road has been received.
Failure to develop self sustaining populations of wildlife resulting in reduced fauna visibility and/or reduced visitor numbers.	Possible	Major	Medium	Ensure competent staff. Ensure conservation work is not compromised. Proactively maintain a wide network of experts and partners to assist.
Biosecurity breach, eco terrorism resulting in significant loss of wildlife, unexpected costs and loss of credibility if fail to detect in a timely manner.	Possible	Major	Medium	Ensure robust biosecurity strategy and programme. Proactively maintain a wide network of experts and partners to assist. Develop process to respond in a timely manner.



				Annual Pest and Weed control programs are in place.
				Operations gate has been secured with a padlock as an interim measure. Investigating installing card access on the gate as a long term measure.
Fire, earthquake, illnesses, resulting in significant loss of wildlife, unexpected costs, closure for long period.	Possible	Major	Medium	Emergency plan in place to deal with natural disaster. Business continuity plan has been developed. Proactively maintaining a wide network of experts and partners to assist. Ensure adequate insurance cover.
Potential legal issues which may affect the Trust's reputation and generate additional costs.	Possible	Major	Medium	Incidents reported to Board.
Loss of key staff.	Likely	Moderate	Medium	Training plans and opportunities being offered.
Policy and procedural failure.	Likely	Moderate	Medium	Policies in place reviewed yearly (or/and when relevant). Align with legislation
IT infrastructure loss and failure.	Possible	Moderate	Medium	Back up provided by Datacom over the weekend. Server monitored remotely by Datacom to resolve any issues.
Loss of wildlife due to disease, inbreeding depression, climate change.	Possible	Moderate	Medium	Ensure processes are in place for maintaining hygiene and monitoring of population health for prevention/early detection of disease again where practical early detection. Plan for enhancing genetic diversity if feasible (not always).
Failure to maintain relationships with key stakeholders resulting in loss of credibility and/or loss of support.	Possible	Major	Medium	Ensure strong stakeholder engagement.
Negative activists campaigning for local government support to be withdrawn, or threaten to undermine the work done at ZEALANDIA by acts of vandalism.	Possible	Moderate	Medium	A robust communications plan and regular 'good news' stories publicised. Accurate and timely reporting of our achievements to WCC.
Board involvement in operational/executive matters compromises governance/independent oversight.	Likely	Minor	Medium	The Board is to remain aware of this risk and ensure where one Board member has operational input, the other members will maintain the role of independent oversight. The Board's involvement in operational matters is to end by June 2015.

**8. Additional Information**

**8.1 Response to other specific Letter of Expectation matters (if applicable)**

Not applicable.

**8.2 Ratio of Shareholders Funds to Total Assets**

Please refer to the Balance Sheet included in the Accounting policies.

**8.3 Estimate of Amount Intended for Distribution**

The Karori Sanctuary Trust is a not-for-profit organisation and registered charity and does not make a distribution to the Settler.

**8.4 Acquisition Procedures**

The Trustees have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or any organisation.

**8.5 Activities for which the Board seeks Compensation from a Local Authority**

Total funding from WCC in 2014/15 is \$875k. The development of the Trust's 10 year sustainable business plan anticipates as a baseline the continuation of the current level of funding.

**8.6 Estimate of Commercial Value of Shareholders Investment**

Not applicable.

## **Appendix A: Accounting Policies**

### **BASIS OF REPORTING**

#### **a) Basis of Reporting**

The financial statements presented here are for the reporting entity, the Karori Sanctuary Trust. The Trust is a charitable trust registered under the Charities Act 2005, established to develop a secure native wildlife sanctuary in the Karori Reservoir valley in the city of Wellington.

The Trust is a qualifying entity within the differential reporting framework issued by the New Zealand Institute of Chartered Accountants. The Trust qualifies on the basis that it has no public accountability (that is: not an issuer as defined under the Financial Reporting Act 1993 nor does it have coercive power to tax, rate or levy to obtain public funds) and is not considered large as defined by the framework. The Trust has taken advantage of all differential reporting concessions available to it except for FRS10 Statement of Cash Flows.

The financial statements have been prepared in accordance with generally accepted accounting practice. The Trust has chosen not to adopt the NZ equivalent to International Financial Reporting Standards (NZ IFRS). The decision not to adopt is consistent with the exemption provided by the Accounting Standard Review Board ("ASRB") Release 9, issued September 2007. ASRB Release 9 provides a choice to certain qualifying entities to either adopt NZ IFRS or to continue to apply NZ Financial Reporting Standards (NZ FRS).

The measurement base adopted is that of historical cost.

Reliance is placed on the assumption that the Trust continues to receive sufficient income to fund ongoing operations.

#### **b) Recognition of Income**

Grants are recognised as income when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

Income received from membership subscriptions is allocated proportionally over the period to which they relate. The unearned portion of subscriptions is shown under current liabilities. Prepaid visits are also treated as current liabilities.

Other income is accounted for on a cash basis.

In the accounts, there is no financial recognition of support given in the form of donated labour and materials.

#### **c) Fixed Assets**

Fixed Assets are recorded at cost less accumulated depreciation.

#### **d) Depreciation**

Depreciation of fixed assets is calculated on a straight-line basis so as to allocate the cost of the assets over their useful lives as follows:

Predator Fence	25 years
Buildings/Infrastructure	10 - 50 years
Leasehold Improvements	10 - 50 years
Fixtures Plant and Equipment	3 - 5 years
Boat	15 years
Vehicles	5 - 10 years
Other Assets	3 - 5 years

**e) Receivables**

Receivables are stated at anticipated realisable value.

**f) Retail Stock on Hand**

Retail stock on hand is stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis.

**g) Goods and Services Tax**

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of receivables and payables that include GST invoiced.

**h) Income Tax**

The Trust being a charitable organisation is income tax exempt under the Income Tax Act 2007.

**i) Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with the prior year.

**Appendix B: 2015/16 ZEALANDIA Budget**

ZEALANDIA will continue to drive revenue and contain costs in 2015/16 and complete the year with a healthy surplus.

The budget for 2015/16 has been prepared with the Board and Management's priority focus of increasing working capital. To this end, the budget that has been submitted has no provision for Capital Expenditure. No expenditure will be made outside of this budget except where third party funding is received.

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ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-15	STATEMENT OF COMPREHENSIVE INCOME	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	FYE 30-Jun-16	FYE 30-Jun-17	FYE 30-Jun-18
	<b>Trading Revenue</b>							
2,232,796	Trading Income	386,365	722,610	820,945	440,108	2,370,028	2,429,875	2,491,233
	<b>Other Operating Revenue</b>							
875,000	Shareholder grants	218,750	218,750	218,750	218,750	875,000	875,000	875,000
271,784	Sponsorships, grants and donations	67,946	67,946	67,946	67,946	271,784	271,784	271,784
	Other operating income 1							
	Other operating income 2							
	<b>Non-operating Revenue</b>							
	Car parking / sub lease income							
27,000	Interest income	6,750	6,750	6,750	6,750	27,000	27,000	27,000
	Other income							
<b>3,406,580</b>	<b>Total Revenue</b>	<b>679,811</b>	<b>1,016,056</b>	<b>1,114,391</b>	<b>733,554</b>	<b>3,543,812</b>	<b>3,603,659</b>	<b>3,665,017</b>
	<b>Direct Costs</b>							
	Cost of sales							
	Wages (events etc)							
	Other direct costs							
	<b>Total Direct Costs</b>							
	<b>Operating Expenses (overheads)</b>							
1,829,891	Salaries and wages	461,960	481,002	485,528	442,302	1,870,792	1,912,607	1,955,356
110,718	Other employment costs	28,371	28,372	28,372	28,371	113,486	116,324	119,232
20,720	Occupancy costs	5,309	5,310	5,309	5,310	21,238	21,770	22,314
63,505	Utilities	16,273	16,273	16,273	16,273	65,092	66,720	68,388
72,970	IT and communications	18,699	18,698	18,699	18,698	74,794	76,664	78,580
177,165	Insurance	30,398	30,399	30,398	30,399	121,594	126,134	130,788
855,099	Administration costs	219,119	219,119	219,119	219,119	876,476	898,388	920,848
16,894	Vehicle expenses	4,329	4,329	4,329	4,329	17,316	17,750	18,192
8,460	Travel costs	2,168	2,168	2,168	2,168	8,672	8,888	9,110
104,600	Professional fees	26,803	26,804	26,804	26,804	107,215	109,896	112,644
<b>3,260,022</b>	<b>Total Operating Expenditure</b>	<b>813,429</b>	<b>832,474</b>	<b>836,999</b>	<b>793,773</b>	<b>3,276,675</b>	<b>3,355,141</b>	<b>3,435,452</b>
<b>3,260,022</b>	<b>Total Expenditure</b>	<b>813,429</b>	<b>832,474</b>	<b>836,999</b>	<b>793,773</b>	<b>3,276,675</b>	<b>3,355,141</b>	<b>3,435,452</b>
146,558	<b>Net Surplus/(Deficit) before Depreciation and Tax</b>	<b>(133,618)</b>	<b>183,582</b>	<b>277,392</b>	<b>(60,219)</b>	<b>267,137</b>	<b>248,518</b>	<b>229,565</b>
40,734	Interest expense	10,184	10,183	10,184	10,184	40,735	40,735	40,735
1,427,484	Depreciation	356,871	356,871	356,871	356,871	1,427,484	1,427,484	1,427,484
	Taxation expense							
<b>(1,321,660)</b>	<b>Net Surplus/(Deficit)</b>	<b>(500,673)</b>	<b>(183,472)</b>	<b>(89,663)</b>	<b>(427,274)</b>	<b>(1,201,082)</b>	<b>(1,219,701)</b>	<b>(1,238,654)</b>

**ZEALANDIA - KARORI SANCTUARY TRUST**

Forecast 30-Jun-15	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-15	As at 31-Dec-15	As at 31-Mar-16	As at 30-Jun-16	As at 30-Jun-16	As at 30-Jun-17	As at 30-Jun-18
	<b>Shareholders Equity</b>							
5,613,718	Paid up capital	4,350,319	3,849,646	3,666,174	3,576,511	4,350,319	3,149,237	1,929,536
(1,263,399)	Retained earnings	(500,673)	(183,472)	(89,663)	(427,274)	(1,201,082)	(1,219,701)	(1,238,654)
<u>4,350,319</u>	<b>Total Shareholder/Trust Funds</b>	<u>3,849,646</u>	<u>3,666,174</u>	<u>3,576,511</u>	<u>3,149,237</u>	<u>3,149,237</u>	<u>1,929,536</u>	<u>690,882</u>
	<b>Current Assets</b>							
756,837	Cash and cash equivalents	741,475	741,475	741,475	741,475	741,475	756,828	653,309
51,000	Accounts receivable	51,000	51,000	51,000	51,000	51,000	51,000	51,000
	Prepayments							
	Inventory	55,000	55,000	55,000	55,000	55,000	55,000	55,000
13,766	Other current assets	63,766	63,766	63,766	63,766	63,766	63,766	63,766
<u>821,603</u>	<b>Total Current Assets</b>	<u>911,241</u>	<u>911,241</u>	<u>911,241</u>	<u>911,241</u>	<u>911,241</u>	<u>926,594</u>	<u>823,075</u>
	<b>Investments</b>							
	Term deposits							
	Other investments							
	<b>Total Investments</b>							
	<b>Non-current Assets</b>							
14,847,093	Fixed assets	14,269,518	14,061,046	13,946,383	13,494,109	13,494,109	12,163,625	10,833,141
	Intangible assets							
	Other non-current assets							
<u>14,847,093</u>	<b>Total Non-current Assets</b>	<u>14,269,518</u>	<u>14,061,046</u>	<u>13,946,383</u>	<u>13,494,109</u>	<u>13,494,109</u>	<u>12,163,625</u>	<u>10,833,141</u>
<u>15,668,696</u>	<b>Total Assets</b>	<u>15,180,759</u>	<u>14,972,287</u>	<u>14,857,624</u>	<u>14,405,350</u>	<u>14,405,350</u>	<u>13,090,219</u>	<u>11,656,216</u>
	<b>Current Liabilities</b>							
213,984	Accounts payable	241,805	241,805	241,805	241,805	241,805	241,805	241,805
	Income in advance							
	Employee entitlements							
178,715	Provisions and accruals	109,718	109,718	109,718	109,718	109,718	109,718	109,718
178,989	Other current liabilities	257,901	257,901	257,901	257,901	257,901	262,471	267,122
<u>571,688</u>	<b>Total Current Liabilities</b>	<u>609,424</u>	<u>609,424</u>	<u>609,424</u>	<u>609,424</u>	<u>609,424</u>	<u>613,994</u>	<u>618,645</u>
	<b>Non-current Liabilities</b>							
10,746,689	Shareholder advances	10,721,689	10,696,689	10,671,689	10,646,689	10,646,689	10,546,689	10,346,689
	Other non-current liabilities							
<u>10,746,689</u>	<b>Total Non-current Liabilities</b>	<u>10,721,689</u>	<u>10,696,689</u>	<u>10,671,689</u>	<u>10,646,689</u>	<u>10,646,689</u>	<u>10,546,689</u>	<u>10,346,689</u>
<u>11,318,377</u>	<b>Total Liabilities</b>	<u>11,331,113</u>	<u>11,306,113</u>	<u>11,281,113</u>	<u>11,256,113</u>	<u>11,256,113</u>	<u>11,160,683</u>	<u>10,965,334</u>
<u>4,350,319</u>	<b>Net Assets</b>	<u>3,849,646</u>	<u>3,666,174</u>	<u>3,576,511</u>	<u>3,149,237</u>	<u>3,149,237</u>	<u>1,929,536</u>	<u>690,882</u>
ok	<i>Check Net Assets = Shareholders Funds</i>	ok						

ZEALANDIA - KARORI SANCTUARY TRUST

Forecast 30-Jun-15	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
	<b>Cash Flows From Operating Activities</b>							
	<i>Inflows</i>							
2,232,796	Trading Receipts	386,365	722,610	820,945	440,108	2,370,028	2,429,875	2,491,233
875,000	Shareholder grants	218,750	218,750	218,750	218,750	875,000	875,000	875,000
271,784	Sponsorships and donations	67,946	67,946	67,946	67,946	271,784	271,784	271,784
	Other Income							
	<i>Outflows</i>							
1,940,609	Payments to Employees	490,331	509,374	513,900	470,673	1,984,278	2,028,931	2,074,588
1,319,413	Payments to Suppliers	323,098	323,100	323,099	323,100	1,292,397	1,326,210	1,360,864
	Net GST Cashflow							
	Other Operating Costs							
119,558	<b>Net Cash Flows From (Used In) Operating Activities</b>	(140,368)	176,832	270,642	(66,969)	240,137	221,518	202,565
	<b>Cash Flows From (Used In) Investing Activities</b>							
	<i>Inflows</i>							
	Sale of fixed assets							
	Sale of investment assets							
	Other							
	<i>Outflows</i>							
	Purchase of fixed assets							
	Purchase of investments							
	Other							
	<b>Total Investing Cash Flow</b>							
	<b>Cash Flows From (Used In) Financing Activities</b>							
	<i>Inflows</i>							
27,000	Drawdown of loans	6,750	6,750	6,750	6,750	27,000	27,000	27,000
	Investment income							
	Other							
27,000		6,750	6,750	6,750	6,750	27,000	27,000	27,000
	<i>Outflows</i>							
	Repayment of loans	25,000	25,000	25,000	25,000	100,000	100,000	200,000
40,734	Interest paid	10,184	10,183	10,184	10,184	40,735	40,735	40,735
	Other							
(13,734)	<b>Total Financing Cash Flow</b>	(28,434)	(28,433)	(28,434)	(28,434)	(113,735)	(113,735)	(213,735)
105,824	<b>Net Increase/(Decrease) in Cash Held</b>	(168,802)	148,399	242,208	(95,403)	126,402	107,783	(11,170)
651,013	Opening Cash Equivalents					615,073	649,045	664,479
756,837	Closing Cash Equivalents					741,475	756,828	653,309
ok	Check closing cash = Cash and cash equivalents					ok	ok	ok

**ZEALANDIA - KARORI SANCTUARY TRUST**

Forecast 30-Jun-15	CASH FLOW RECONCILIATION	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
(1,321,660)	<b>Operating Surplus/(Deficit) for the Year</b>	(500,673)	(183,472)	(89,663)	(427,274)	(1,201,082)	(1,219,701)	(1,238,654)
	Add Non Cash Items							
1,427,484	Depreciation	356,871	356,871	356,871	356,871	1,427,484	1,427,484	1,427,484
	Other							
105,824		(143,802)	173,399	267,208	(70,403)	226,402	207,783	188,830
	<b>Movements in Working Capital</b>							
	(Increase)/Decrease in receivables	160,167	3,433	3,434	3,434	170,468	9,165	9,084
	(Increase)/Decrease in other current assets	(50,000)				(50,000)		
	Increase/(Decrease) in accounts payable	(27,821)				(27,821)		
	Increase/(Decrease) in other current liabilities	(78,912)				(78,912)	4,570	4,651
		3,434	3,433	3,434	3,434	13,735	13,735	13,735
	<b>Net Gain/(Loss) on Sale:</b>							
	Fixed assets							
	Investments							
105,824	<b>Net Cash Flow from Operations</b>	(140,368)	176,832	270,642	(66,969)	240,137	221,518	202,565
<i>check this</i>	<i>Check Operating Net Cash Flow</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>
Forecast 30-Jun-15	STATEMENT OF MOVEMENT IN EQUITY	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
5,613,718	Trust Funds at beginning of Year	4,292,058	3,791,385	3,607,913	3,518,250	4,292,058	3,090,976	1,871,275
(1,321,660)	Net Surplus / Deficit - current year	(500,673)	(183,472)	(89,663)	(427,274)	(1,201,082)	(1,219,701)	(1,238,654)
4,292,058	<b>Trust Funds at end of Year</b>	3,791,385	3,607,913	3,518,250	3,090,976	3,090,976	1,871,275	632,621
	<b>Represented by:</b>							
4,292,058	Shareholders Funds	3,791,385	3,607,913	3,518,250	3,090,976	3,090,976	1,871,275	632,621
Forecast 30-Jun-15	CAPITAL EXPENDITURE	Qtr to 30-Sep-15	Qtr to 31-Dec-15	Qtr to 31-Mar-16	Qtr to 30-Jun-16	Total YE 30-Jun-16	Total YE 30-Jun-17	Total YE 30-Jun-18
	Leasehold improvements							
	Computer Equipment							
	Intangible assets							
	Furniture and Fittings and Plant							
	<b>Capital Expenditure</b>							