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**REPORT 5**  
*(1215/11/IM)*

**Report of the Strategy and Policy Committee  
Extraordinary Meeting of Tuesday 27 March 2012**

**Members: Mayor Wade-Brown, Councillors Ahipene-Mercer, Best (Deputy Chair), Cook, Coughlan, Eagle, Foster (Chair), Gill, Lester, McKinnon, Marsh, Morrison, Pannett, Pepperell and Ritchie.**

**THE COMMITTEE RECOMMENDS:**

**1. ITEM 080/12P REPORT OF THE ZEALANDIA WORKING GROUP  
(1215/52/IM) (REPORT 1)**

*THAT Council:*

- 1. Agree that the options, as detailed in section 5.2 of the officer's report, be consulted on concurrently with the Long Term Plan.*
- 2. Agree that Option 4, ECO – City CCO, as detailed in section 5.2 of this report is the recommended option of the Working Group and requires funding support from Council of \$365k in 2012/13, \$483k in 2013/14 and \$490k in 2014/15.*
- 3. Agree to Consult on establishing a new CCO to manage the operations of the Karori Sanctuary Trust, the Wellington Zoo Trust and Botanical Gardens and Otari-Wilton's Bush; and to allow for the Karori Sanctuary Trust to become a CCO using the special consultative procedure concurrently with the Long Term Plan.*
- 4. Agree that the Chief Executive Officer is delegated authority to finalise the outline statement of proposal in Appendix 1 of this report of the Committee.*

**Andy Foster**  
**Chair**



# APPENDIX 1

- Wellington City Council is proposing to create a new Council Controlled Organisation to be called Eco Wellington.
- This is your opportunity to have your say.
- Eco Wellington is a proposal to do things differently. It's about finding smarter ways of doing things: something we have to do if Council is to keep rate rises under control while continuing to fund the things that make this city great.
- It is one of four options the Council considered and the one that was felt to deliver the best outcome for Council, the community and ratepayers.
- The idea is to bring four of Wellington's natural attractions under the direction of a single organisation.
- The four attractions are:
  - Zealandia
  - The Zoo
  - The Botanic Garden
  - Otari-Wilton's Bush
- There is a natural fit between these four attractions. Each is unique, of course, but they share a focus on nature, on conservation and on environmental awareness and appreciation. They are part of the city's green infrastructure and they each play a role in maintaining biodiversity. They are integral to our 2040 Vision of Wellington as an Eco City.
- The role for Eco Wellington is to help the Council make the most of these natural attractions: by thinking of them collectively there will be opportunities to work more efficiently and opportunities to collaborate to grow revenues.
- This is not a merger: each will retain its distinct identity. The special relationships that the supporters, friends and volunteers have with each will be preserved.
- Rather, this is about common governance and management. About strategic alignment and about sharing services such as Finance, IT and Marketing. It's about supporting each organisation with stronger leadership, encouraging the exchange of expertise and collaborating on marketing programmes.

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- It is also about ensuring the survival of Zealandia. Zealandia's financial difficulties have been well publicised: visitor numbers are growing, but they haven't yet reached the levels projected when money was borrowed to build the visitor centre. As a result, the Karori Reservoir Wildlife Sanctuary Trust—the organisation that runs Zealandia—has told Council they need even more financial support from ratepayers.
- Wellington City Council regards Zealandia as a significant asset for the city: a world-renowned initiative. But Council considers unaffordable the levels of ongoing ratepayer funding being asked for by the sanctuary Trustees.
- Creating Eco Wellington and bringing Zealandia under its control is a solution. As part of a wider organisation, there will be opportunities to achieve better value for money for ratepayers, without compromising the integrity of the Zealandia concept.
- It is proposed to amend the trust deed of the Karori Reservoir Wildlife Sanctuary Trust to make the trust a Council Controlled Organisation. This would give Wellington City Council more direct control of the decision making process; something Council considers necessary if it is to continue funding Zealandia.
- Council Controlled Organisations, or CCOs, are a mechanism councils use to manage activities that benefit the community but which need expertise council staff do not necessarily have. The Council retains ownership of the assets and appoints appropriately qualified people to run the organisation on its behalf. Wellington City Council has a number of CCOs already: the Cable Car is one, for example, and so is the Art Gallery.
- The Zoo is already a Council Controlled Organisation, Zealandia would become one and Eco Wellington would be a Council Controlled Organisation as well. The proposal is to appoint common trustees to these three CCOs to create the shared governance model.
- The Botanic Garden and Otari-Wilton's Bush are currently managed by the Council's Parks and Gardens business unit. Under this proposal, management of these attractions will also transfer to Eco Wellington. It is believed this will bring expertise that will benefit all four natural attractions.

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Ownership of the Botanic Garden and Otari-Wilton's Bush will remain with Council.

- Eco Wellington was one of four options Council considered in detail (other options were looked at, but not considered reasonably practicable). The four are:

- 1. Stand alone CCO**

In this option, the only change is that management control of Zealandia moves from Karori Sanctuary Trust to a newly created CCO.

- 2. Zealandia and the Zoo**

Zealandia and the Zoo are managed by a single CCO. They remain separate entities.

- 3. Parks and Gardens**

Zealandia comes under the management of the Council's Parks and Gardens business unit.

- 4. Eco Wellington**

Zealandia, the Zoo, the Botanic Gardens and Otari-Wilton's Bush are managed by a single CCO. They remain independent entities.

- The options were assessed against the Council objectives:
  - Preserve the identity of Zealandia as a place for conservation of New Zealand's natural heritage, flora and fauna, wildlife and as an ecological asset to the city and
  - Maintain Zealandia as a visitor attraction and an place for education
  - Reduce the cost to Council and ratepayers.

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And the following factors considered:

- How closely the option aligns with Council's Wellington 2040 vision.
  - What cost synergies the option creates
  - What revenue opportunities the option creates
  - Any 'soft benefits' or enablers
  - The risks associated with implementing each option.
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- The conclusions were:
    - All four options preserve the identity and role of Zealandia and maintain it as a visitor attraction and place for education.
    - All four options require less funding from Council than continuing the status quo.
    - None of the options eliminates the need for continued ratepayer funding of Zealandia.
    - The best options for cost savings are 2 and 4 (Zealandia and the Zoo and Eco Wellington).
    - All of the options offer revenue and soft benefits.
    - The best options for revenue and soft benefits are 2 and 4 (Zealandia and the Zoo and Eco Wellington).
    - All options have some degree of risk.
  
  - Council concluded that the Eco Wellington proposal is the most promising and agreed that it was appropriate to undertake wider consultation.
  
  - The Statement of Proposal contains further information about the financial state of Zealandia and the pros and cons of each of the options.