

25 February 2009

James Ogden
Chair
Council Controlled Organisations Performance Subcommittee
Wellington City Council
PO Box 2199
WELLINGTON

Dear James

RE: Statement of Intent (SOI) 2009/10

Thank you for your letter of February 5th, 2009 regarding the development of the Wellington Zoo Trust's Statement of Intent for 2009/10. The Trust is keen to work with Council to deliver the very best outcomes for our city and we thank you for your comments about the work the Trust has been able to accomplish.

The Trust fully accepts the challenge of reducing our relative reliance on Council funding over time and, as you have requested, the Statement of Intent outlines the key strategies for achieving this.

The Trust does not take its responsibility of financial sustainability lightly and success over the life of the Trust indicates that the Trust will make every effort to ensure this outcome. We seek to mitigate financial risk while still providing an accessible and value for money attraction for Wellington.

The Board remains concerned that the going forward amount of working capital for the Zoo remains inadequate. The core measure of any business is the ability to absorb shock in an economic downturn and this requires more growth in this area for the Trust for the Board to feel comfortable that the Trust is well buffered financially. The building of working capital is a prudent business measure that remedies an establishment problem.

The resilient organisation has a prudent reserve of working capital and while the Trust has shown commitment to growing working capital we have further work to do over the next two to three years to build a desired level of at least six months operational costs. Also the long term visitation data illustrates the Zoo's vulnerability to bad weather and economic downturn, set against the Trust's ongoing responsibility for meeting an increasing share of (rising) operating costs.

On the other hand, it is an opportunity for Wellington to market the Zoo and other Wellington visitor attractions to Wellingtonians. The Trust is committed to helping Council achieve a variety of outcomes for our city and we would welcome any initiative which would support 'holidaying at home' which encourages visiting a variety of attractions in our city – such as joint marketing and ticketing, cross promotion or domestic tourist packages.

We are always keen to share the development of our city's Zoo with the Subcommittee and so we cordially invite any members of the Subcommittee to visit the Zoo in the future at any time to have a more thorough discussion about the plans for the Zoo. Please do not hesitate to contact me or Karen Fifield should any member wish to do so.

We are looking forward to an exciting year for Wellington Zoo as we continue to create 'the best little zoo in the world'.

Yours sincerely



Denise Church
Chairperson