

Wellington Zoo Trust

Business Plan

2009-2010



Beni the Chimpanzee relaxing after his 1st birthday celebrations

Introduction

The Business Plan for 2009-2010 will assist Wellington Zoo Trust to clarify, focus action and research the key developments and prospects for Wellington Zoo this financial year. It provides a logical framework within which to develop the business and pursue the six strategic elements set for the next two years. It also provides measures for actual performance against agreed outcomes.

Wellington Zoo is a unique business within Wellington, being the only zoo in the capital city. The Zoo is a well loved community asset and it is well supported by Wellingtonians and visitors to Wellington. The Zoo provides a visitor facility with high value at affordable cost and the Trust endeavours to provide accessibility for all sectors of the community.

Wellington Zoo has embarked on a significant redevelopment programme which has already shown benefits to the Wellington community. The process of creating a 21st century zoo is not without its challenges but the six strategic elements provide focus on the most important outcomes for this type of business. They give a framework to make business choices over the coming year to maximise the long term benefit to the business and to the community.

The business case forecasts presented to Wellington City Council in 2006 are consistent with our expectations of the business in the coming year. Even within a challenging economic climate, the Trust is confident that the prudent and successful business decisions made since the inception of the Trust in 2003 will provide a sound foundation for the organisation. However, we expect financial results that are less favourable than the past two years. We expect some negative impact, especially on the higher end commercial product, but we are constantly reviewing the economic trends as they affect the zoo and will adjust our business approach accordingly.

Fundraising is a key outcome for Wellington Zoo Trust so work has been undertaken to measure community understanding of the charitable trust status of the Zoo and to grow awareness of this in the community. We still have some way to go on this understanding in the larger community despite being well supported by Trusts and Foundations grants. The community campaign was successful this year as a foundation and the Trust will implement a similar campaign this year.

The Trust is conscious of the operational gap which will continue to grow even as the facilities and product offering to the community improve. We are stepping up to our responsibility to provide for a growing proportion of the Zoo's operational requirements over time. This is challenging however as the operational expenditure required is growing as we improve the asset and the offering to our growing visitor base and as well as provide better care for our animals, enhance our contribution to conservation efforts and provide an improved workplace for our staff. The Trust understands the ramifications of the operational grant projections from Wellington City Council. We will address the long term shortfall by employing a more commercial approach to the operation of the Zoo while also maintaining affordable access.

The Business Plan for 2009-10 addresses these issues and links strategy and operation to produce sound business outcomes by building a strong foundation of business revenues and careful resource allocation.

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1. Our Vision, Dream, Purpose, Commitments

VISION

Wellington Zoo ... a magical place of learning and fun, leaving visitors with a sense of wonder and respect for nature, and a belief in the need for a sustainable co-existence between wildlife and people.

DREAM

To be the best little zoo in the world

PURPOSE

Wellington Zoo exists to bring animals in their environments and people who visit, on site and online, together. Individuals, families and other groups experience shared learning about the wonder and beauty of the natural world beyond themselves. Special moments of connection are built on by the Zoo to inspire visitors to respect the natural world and to understand their part in securing a sustainable future for it and for us within it.

COMMITMENTS

The Zoo is committed to:

- 🌀 Highest standards of animal care
- 🌀 Learning
- 🌀 Conservation
- 🌀 Fun
- 🌀 Creativity
- 🌀 Partnerships
- 🌀 Honesty

2. Strategic Goals and Elements

Wellington Zoo aims to fulfil the following strategic goals:

OUR ANIMALS' WELL BEING

The Zoo is known throughout Australasia for the high quality of the animals' environment and for our husbandry and welfare practices.

CONSERVATION

The Zoo is a community leader shaping visitors' views on the need for conservation.

LEARNING

Visitors have memorable learning experiences based on exploration, discovery and fun.



Vanessa Heaford, Keeper and Tuatara at Customs Day, Civic Square, February 2009

The **Six Strategic Elements** for Wellington Zoo are to:

○ **CREATE OUTSTANDING, INTIMATE AND UNIQUE VISITOR LEARNING EXPERIENCES**

The Zoo Capital Programme (ZCP) will form the basis of new facilities for improved animal housing and visitor experience. Wellington Zoo will continue to build its reputation as a unique and intimate zoo by including more contact animal experiences throughout the Zoo.

The construction of a new 21st century zoo will be challenging in regard to the impact on the visitor experience and visitor flow. The Zoo is planning to mitigate this issue during construction by creating other value added experiences for visitors. The pace of the ZCP roll out will also affect visitor value as older parts of the Zoo remain undeveloped. In this financial year, however, The Nest (the Zoo's new Animal Hospital) will be completed and also the birds in bird valley will be moved to Conservation Corner. These two projects will highlight the approach to creating a 21st century zoo. We believe that the development of a critical mass of improved visitor experience (both large and small projects) will enhance visitation and community support.

As almost half the population of Wellington visit the Zoo each year (according to the Wellington City Council Resident Satisfaction Survey), as well as over 30,000 domestic and international tourists, the Zoo recognises its potential to deliver conservation and sustainability messages to our visitors. The ZCP will enable 'stage sets' and contexts to be developed to engage visitors with conservation messages that are relevant and personal. The Nest will particularly add to this dimension for the Zoo. This large audience will contribute to the Council's goals of Wellington as a Green Capital and the Zoo will work with Council to ensure synergy between the two organisations in this area.

○ MAKE A LEADING CONTRIBUTION TO CONSERVATION AND RESEARCH

Wellington Zoo is committed to conservation being the underpinning reason for existence and will be a key stakeholder in collaborative conservation programmes within the zoo industry and with the conservation agencies of New Zealand. The ARAZPA (Australasian Regional Association of Zoological Parks and Aquaria) New Zealand Species Management position jointly funded by Auckland Zoo, Hamilton Zoo and Wellington Zoo continues to build relationships with government conservation agencies in Wellington. Managed species programmes in this region ensure the sustainability of zoo collections and have emphasis on CITES 1 (Convention on International Trade in Endangered Species) animals and endangered species.

Wellington Zoo has implemented a new Conservation Strategy to focus conservation effort on strategic projects. The recently completed Conservation Action Plan will ensure the operational delivery of the Strategy. Wellington Zoo is able to take a leadership role in delivering the conservation message to the community by virtue of our visitation numbers and can provide a portal to the community for other agencies. Conservation messages have been established for all keeper talks in the Zoo and the effectiveness of these will be measured during 2009/10.

In-situ conservation programmes such as holding Otago and Grand skink insurance populations in partnership with the Department of Conservation will also form part of the Conservation Strategy implementation. The organisation has strategically selected in situ conservation programmes to support which relate to our collection and meet conservation outcomes we have identified.

The possum fertility project is a major research project for Wellington Zoo Trust in partnership with Victoria University of Wellington. Wellington Zoo holds the research possums for the university and this research will be interpreted for visitors to highlight the need for protection of New Zealand's fragile environment. This collaborative project is a first for zoos in this region and could produce ground breaking results. The project to date is showing promising results and this work will be interpreted for visitors when Conservation Corner is complete.

The Manager Conservation and Veterinary Science continues to work in collaboration with agencies such as the Department of Conservation and Landcare Research for conservation outcomes for New Zealand. The Nest will allow further work in this area and provide a facility for conservation outcomes on many levels.

The Zoo has made significant advances to reduce its environmental footprint. This work will be clearly targeted in the Zoo's Conservation Strategy and the Zoo will work towards contributing to Wellington's carbon neutrality. The Zoo will enter the Sustainable Business Challenge again this year and we hope to improve on our 2008 finalist position.

○ ENSURE FINANCIAL SUSTAINABILITY

It is within a difficult environment that the Zoo will be operating over the coming financial year. The business case indicates an increase in visitation of 2% per year as a realistic projection of this situation. However, the recent economic downturn is top of mind for the Zoo and we will ensure that we are aware of economic trends and communicate any effects on the Zoo to Council as soon as possible. We endeavour to be prudent and prepared for any trend changes and impacts on the Zoo.

The Zoo will continue to review all commercial products and build a more commercial culture to ensure a sustainable business model. Wellington Zoo has been successful in obtaining grants and the ZCP should ensure this success continues. Wellington Zoo Trust's intent to facilitate appropriate timing of fundraising grants and other financial support for the ZCP is agreed in principle with Wellington City Council Officers. However if indications are received that fundraising through Trusts and Foundations grants is slowing then the Trust recognises that this may impact on the roll out of the ZCP if targets are not met. The Trust seeks to ensure Council that resources will be applied to garner the maximum result in the fundraising area.

The Trust has ongoing financial support from some corporate organisations and while approaches to corporate organisations with strategic fit with the Zoo will be made in 2009-10 it is not anticipated that this will result in any great degree of support due to the economic climate.

The building of working capital is a prudent business measure that remedies an establishment problem. 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.

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.

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 working with Council to 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.

The Trust is managing to grow revenues that slowly allow us to reduce our percentage reliance on Council funding. By reallocation the Trust has put more resources in the areas that drive real benefits from the capital investments. However, there is still a gap between current Operational Expenditure (OPEX), and the OPEX that would support the scale and level of activities/ resources/ people appropriate to a credible, modern facility.

These include:

- ④ providing sufficient training for a young and inexperienced keeping team so that we manage risks to people and animals
- ④ enough investment in conservation and research work so that we can meet modern zoo expectations enough investment in collection management that we can assure the zoo's long term future
- ④ enough investment in fundraising and marketing that we can tap the opportunities to secure external funding into the future
- ④ sufficient funds to deliver the best visitor experience for the community in areas of the Zoo especially in parts if the asset not targeted for redevelopment

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New entrance way to the Cheetah viewing area and the African Savannah

○ BUILD LASTING COMMUNITY SUPPORT AND PARTICIPATION

Wellington Zoo aims to be 'the best little zoo in the world' and to date has immense community support. As a community asset, Wellington Zoo will implement a fundraising programme to capture this support from the community and the Zoo will also develop partnerships within the community. The initial community fundraising programme this year (in partnership with The Rotary Club of Wellington and Kirkcaldie and Stains) was very successful and we will implement a community campaign in the 2009-10 financial year as well. Wellington Zoo will focus on retaining current Zoo Crew members over the next year as well as the number of participants in the volunteer programme both individual and corporate. These groups within the community become advocates for the Zoo and strong supporters. The Trust initiatives such as Neighbours Night ensure that the Zoo continues to provide affordable access for all sectors of our community. The Zoo provides a high value proposition for visitors at an affordable price.



Vanessa Heaford and Jake meeting a visitor on Neighbours Night, February 2009

○ SHOW INDUSTRY LEADERSHIP

Wellington Zoo plays a key role in Australasia as one of the four major zoos in New Zealand. Wellington Zoo is New Zealand's first zoo and its location in the capital city requires it be an industry leader for New Zealand zoos. The Zoo is responsible for population management within the collection for managed regional species and has a number of staff who hold regional zoo industry positions including the Chief Executive who is a member of the Regional Zoo Industry Board and the Collection Coordinator who sits on the Australasian Regional Collection Planning Committee.

As a conservation agency, the Zoo is able to play a vital role in assisting the community to take positive action for the environment. The Environmental Management System has been successful in reducing the environmental footprint of the Zoo and environmental practices in the new construction and other initiatives will further enhance this result and make environmental action more visible to visitors.



Jessie, the Chimpanzee, and her Christmas present, December 2008

○ ENSURE ALL STAFF ADD VALUE AND ARE VALUED

Wellington Zoo has been somewhat successful in attracting talented staff and the development of staff is a key strategic imperative. The management of the redevelopment programme and fundraising to support the ZCP will place added burdens on existing staff over the coming year. One of the key areas for improvement at the Zoo is to focus on our people, through training and development.

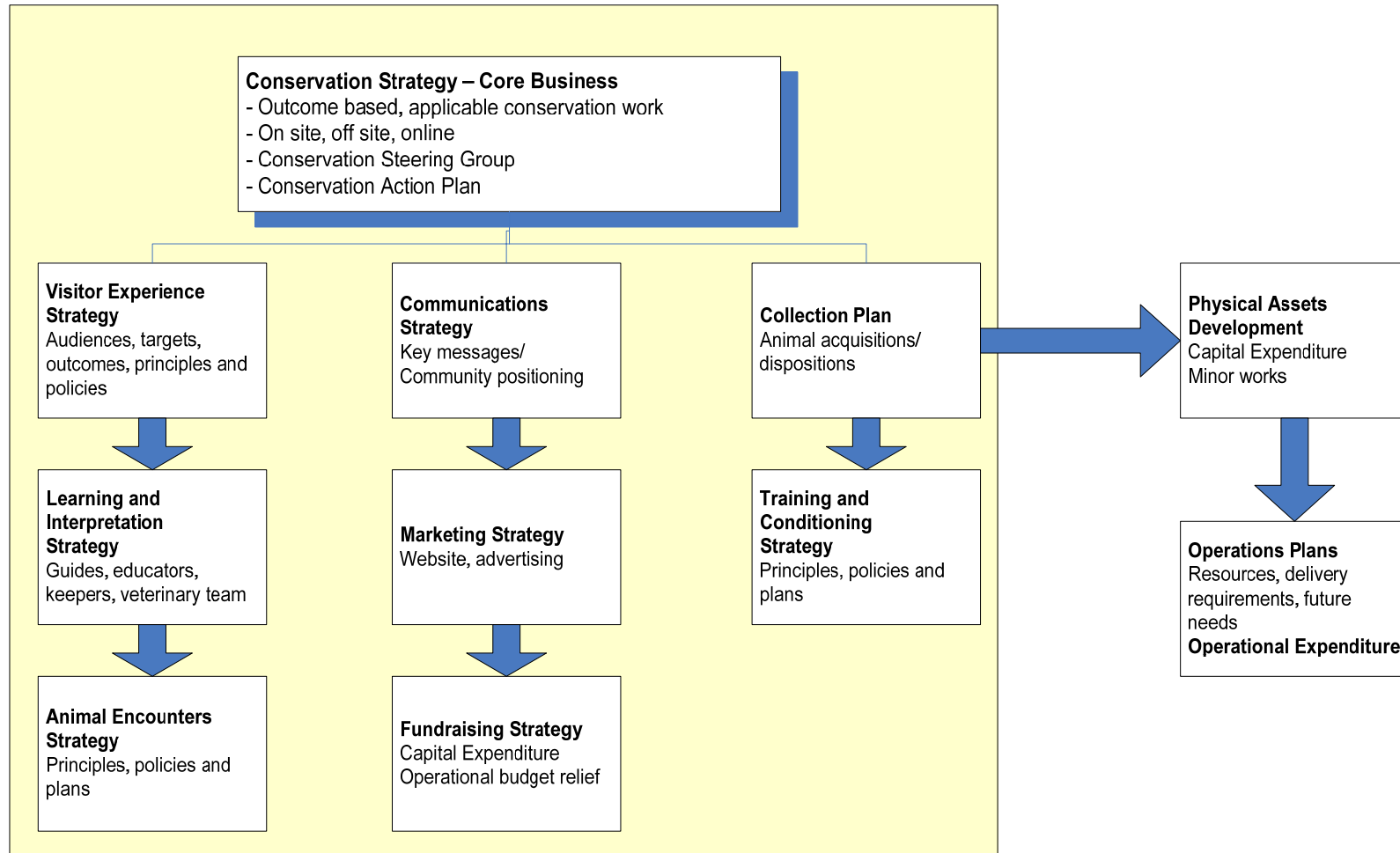
With the recruitment of the Human Resources (HR) Manager we have been able to implement an in house learning calendar as well as become much more strategic in regard to HR options. Zoo expertise is found in a small pool of people across the world and it is imperative to the success of Wellington Zoo to have skilled and motivated staff. Staff attraction, development and retention are key areas for the Trust as part of the six strategic elements. The Trust undertook a job sizing exercise in 2008 to ensure appropriate salary structures are in place for our staff and we will continue to ensure staff are given the highest priority during this period of financial uncertainty. The Trust recognises that investment in this strategic element is not to the ideal level required and this needs to be addressed as the Zoo grows and develops.

To ensure these strategic imperatives are delivered a series of supporting strategic documents have or will be prepared over the coming year. These are outlined in the table below. Conservation outcomes sit at the heart of the Zoo and other strategies flow from the guiding principles of the Conservation Strategy.



Keeper, Kelly Green, getting a lick from TT, the dingo

Zoo Strategy Flow Chart



3. Delivering the Strategic Elements

Wellington Zoo Strategy Framework 2009-2010

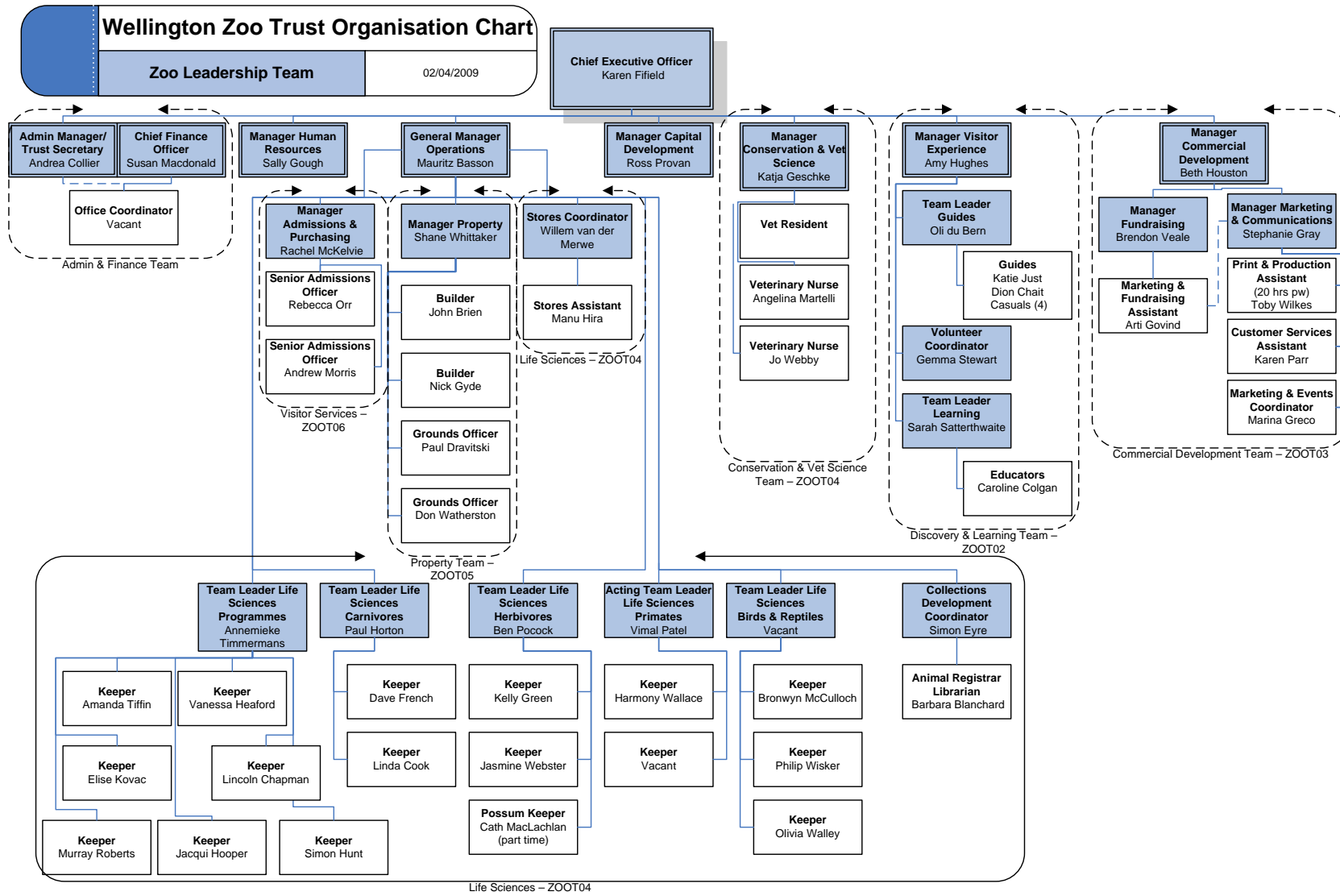
Measure	Frequency of measure	Target 2009/10	Target 2008/09	Actual 2007/08
<i>Outstanding, intimate & unique visitor experiences</i>				
Projects to assess visitor learning and satisfaction	Annually	≥1	>2	2
Teachers rate learning programs as meeting objectives	Annually	>97% teachers agree learning was effective	>97% teachers agree learning was effective	100% teachers agree learning was effective
Number of students participating in an LEOTC Learning session (new measure) – 10,500 2007/08	Annual	>9,000	n/a	n/a
Contact animal hours out in the Zoo (new measure)	Annual	>200	n/a	n/a
<i>Industry Leadership</i>				
Staff position holders on industry committees	Annually	>5	>5	11
<i>Financial sustainability</i>				
Fundraising targets for ZCP reached or exceeded	Annually	≥\$919,200	\$569,150	\$840,389
Average Zoo shop retail spend per Zoo visitor (new measure)	Annually	≥\$1.36	n/a	n/a
Increase total admissions by 2% each year on base year 2005/06 (170,116 visitors) as per Business Plan	Annually	≥184,130	180,560	182,540
Average income per visitor (excluding WCC grant)	Quarterly	\$12.73	\$11.71	\$11.78
Ratio of Trust generated income as % of WCC grant	Quarterly	87%	79%	80%
Average WCC subsidy per visitor	Quarterly	\$14.71	\$14.88	\$14.72
<i>Valued and motivated staff</i>				
All staff have a Personal Development Plan (new measure)	Annually	100%	n/a	n/a
Staff Survey conducted	Annually	October 2009	October 2008	Completed
Staff turnover (not including casual and fixed term roles)	Annually	<15%	<15%	24%
<i>Lead or participate in conservation and research programmes</i>				
Collection in managed programmes (% of total Collection)	Annually	>38%	>38%	42%
Conservation partners with formal agreements (new measure)	Annually	≥4	n/a	n/a
<i>Lasting Community support and participation</i>				
Partnerships formed with written agreements	Annually	≥6	>6	New Measure
Volunteer hours (FTE)	Annually	≥5 FTE	>5 FTE	2.8 FTE
Wellingtonians visiting the zoo	Annually	>49%	>49%	49%
Increase zoo crew memberships by 10% each year on base year 2007/08 (1,896 members - new measure)	Annually	2086	n/a	1896

Each team will develop actions which support the Six Strategic Elements within their area of the business. Each action will align with the higher level business outcomes outlined in this document.

4. Structure

The structure of the organisation has been arranged to give clarity and ownership for each of the six strategic elements. The structure is outlined on the next page.

It is imperative that the Trust continue to attract and retain skilled staff in order to provide the best in animal care, visitor experience and other business outcomes.



5. Risk Management

The Wellington Zoo Trust seeks to minimise business risk by applying risk analysis and mitigation of identified risks. The plan is outlined on the following pages.


Risk Analysis & Mitigation Plan for Wellington Zoo Trust


Risk No	Areas of Risk	Risk Identification	Probability	Impact	Risk Value	Impact	\$ Value of Risk	Risk Treatment
1	Financial, H & S, Operational, Collection, Visitation	Natural Disasters causing destruction and infrastructure failure	-2	7	5			Continue developing contingency plan, Civil Defence kit kept on site and maintained.
2	Financial, H & S, Operational, Collection, Visitation	Loss of business due to weather	0	5	5			Improve infrastructure via ZCP and incorporate shelter from weather into new developments.
3	Financial, H & S, Operational, Visitation, Fundraising, ZCP	Attraction and Retention of Key Staff	-1	6	5			Succession planning, staff development, Recruitment and Induction Policies.
4	Financial, H & S, Visitation, ZCP	ZCP Fundraising Targets Not Reached	-1	6	5		\$569K:08/09 Financial Year	Projects on hold, relationship building
5	Financial, H & S, Operational, Visitation, Reputational Fund Raising, ZCP	Significant site accident	-2	7	5			Health & Safety Management System
6	Financial, H & S, Operational, Visitation, ZCP, Collection	Building Fire (Including animal night quarters)	-1	6	5			Health & Safety Management System, Fire Alarms, Building WOF's, Emergency Procedures Manual
7	Financial, Operational, Reputational Visitation, Fundraising, ZCP	Reputation Falters	-2	6	4			Code of Conduct and Risk Management Policy
8	Financial, H & S, Operational, Collection, Visitation	Major spread of contagious disease	-3	7	4			Avian influenza contingency plan, screening policy, MAF Guidelines, Erma policies
9	Financial, H & S, Operational, Visitation, Fundraising, ZCP	Project Design, Development and Delivery Risk (including not obtaining resource consent)	-2	6	4			Project Management Process
10	Financial, Visitation, Reputational Fundraising	Bad Press	-1	5	4			Risk Management Policy
11	Financial, H & S, Operational, Collection	Security Breach / Vandalism	-1	5	4			CCTV System, Security Alarms, Maintenance of Perimeter Fence
12	Financial, Reputational Visitation, Fundraising	Loss of Business Due to Competition / Economic Downturn	-1	4	3			Business Plan, Strategic Plan
13	Financial, Operational, Reputational Visitation, Fundraising, ZCP, Collection, H & S	Key Staff Fail to Deliver on Strategic Direction and Business Outcomes	-2	5	3			Performance Management Process
14	Financial, Operational, Visitation, Fundraising, ZCP, Collection, H & S	IT and Utilities Infrastructure Loss and Failure	-3	6	3			Emergency Procedures Manual, Zoo Manual


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

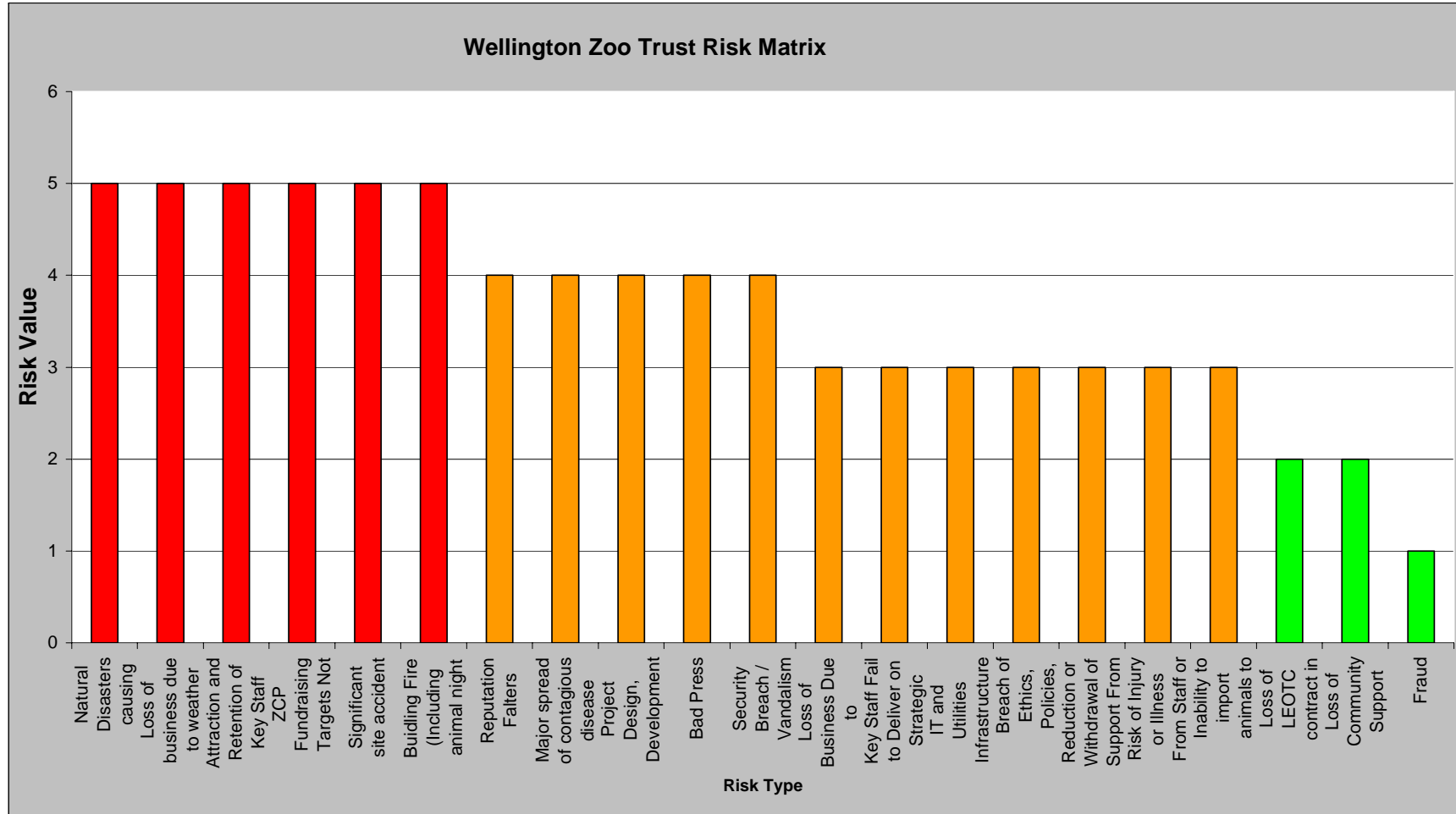
These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

 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 five.



6. Financial Requirements

The Trust's operating and capital budgets for 2009/10 to deliver this Plan are detailed below.

DRAFT BUDGET 09/10	Budget 08/09		Forecast 08/09		Draft Budget 09/10	
	\$'s	%	\$'s	%	\$'s	%
INCOME						
<i>Visitor Revenue</i>	1,842,066	36.8%	1,941,605	38.8%	2,054,281	40.7%
<i>Interest</i>	28,000	0.6%	111,537	2.2%	22,000	0.4%
<i>Café Income</i>	100,000	2.0%	80,662	1.6%	85,000	1.7%
<i>MOE LEOTC Contract</i>	75,555	1.5%	75,556	1.5%	82,190	1.6%
<i>WCC Operating Grant</i>	2,687,500	53.8%	2,687,500	53.8%	2,709,000	53.6%
<i>Other Grant and Subsidy Income</i>	68,924	1.4%	102,104	2.0%	100,000	2.0%
Total Operating Income	4,802,045	96%	4,998,964	100%	5,052,471	100%
Staffing Expenses	3,119,295	65.0%	3,178,399	65.4%	3,335,721	66.0%
Other Operating Expenses	1,682,750	35%	1,684,068	35%	1,716,750	34.0%
TOTAL EXPENDITURE	4,802,045	100%	4,862,467	100%	5,052,471	100%
TOTAL OPERATING SURPLUS/(DEFICIT)	0		136,497		0	

Wellington Zoo Trust capital budget for 2009/10

CX340 New Capital Projects

\$2,636,424

The majority of the CX340 capital spend will be on the completion of the construction of 'The Nest,' Wellington Zoo's Animal Hospital, and construction of Conservation Corner.

CX125 Existing Asset Renewals Budget

Work in 2009/10 includes the following types of renewals:

Category	2009/2010
AV Equipment	\$9,500
Climbing Fences	\$3,000
Fencing	\$18,000
Hospital Equipment	\$5,000
Learning Equipment/Signs	\$10,000
Office Equipment & Chattels	\$24,000
Security	\$5,000
Service Area Refurbishments (H & S)	\$5,000
Water Reticulation & Storage Tanks	\$16,874
Workshop Equipment	\$6,000
Property Asset Renewals	\$100,000
Pushchairs and Wheelchairs	\$2,000
Vehicles/Golf Carts	\$30,000
Total	\$234,374