

Statement of Intent and Business Plan  
2013-2014  
Wellington Zoo Trust



*Entrance to the new Asia Precinct at Wellington Zoo*

Presented to the CCO Performance Sub Committee  
pursuant to Schedule 8 of the Local Government Act (2002)

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# 1. Introduction

Wellington Zoo exists to connect people with the natural world around them that is alive with living things- plants and animals. The Zoo is a place of connections, within the Zoo, off site and via technology that links our community together to make a difference for the environment. We believe in a 'love not loss' approach to environmental issues, that is by first having visitors and our community engage with and 'love ' animals they are more ready to understand how they can take action to protect the environment and be willing to do so.

The activity for the Zoo is described as a 'conservation attraction' in the Council documentation. The Zoo is a strong contributor to our city, focusing on knowledge and content, innovation and positive action for the environment.

Only at the Zoo can our community see both native and exotic animals and only at the Zoo can we help people to understand their place in a global environment. This year our conservation theme is Conservation Connection- we will be rolling this theme out across the Zoo using technology, personal stories, interactive experiences, and clear messaging. This theme will be the basis of our ongoing work in the conservation advocacy area, will highlight our work in the field and will position the Zoo as an integral part of the conservation story of our city.

Wellington Zoo will contribute to the vibrancy and forward thinking of our city through employment of Wellingtonians, working with Wellingtonian suppliers and provision of quality of visitor experiences for our 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.

As confirmed by previous Wellington City Council decisions, Wellington Zoo is a valued community asset and an important part of Wellington's history and heritage as New Zealand's first zoo and the most visited paid cultural attraction in Wellington. The Zoo Trust has risen to the challenge of creating a vital and accessible city asset from a less than perfect zoo.

As a high performing CCO, Wellington Zoo seeks to ensure our city is well served by its Zoo and that our community feels a sense of place and connectedness with their Zoo.

We believe that we have more than proven our value as a community asset and that we have a reputation as a good zoo and this is reflected in continual growth of visitor numbers and the interest in working at our Zoo by quality staff. We have consistently met or outperformed almost all of our performance targets. We have shown that we can build our contribution to our financial requirements and reduce our reliance on WCC funding.

The Trust is seeking continued operational funding grant of \$2,715,000 for 2013-14 as per the Letter of Expectation. The Letter of Expectation indicates a decrease of funding by 3% to \$2,715,000 and we understand the rationale for this in this period of tight financial circumstances. The financial information included reflects the reduction in the WCC Operating Grant for the Zoo.

We have reviewed our operational budget in light of the decrease in the operating grant and consider that we can work within this budget constraint by reducing the salary increase

planned for staff from 2% to 1%; reducing our expenditure on fundraising and reducing our training budget for staff.

It is worth noting that that these measures may not be sustainable beyond 2013-14 and that in the long run the pressure of rising costs will mean that if the Zoo's activities such as community conservation, support for wild conservation projects, care for native wildlife at The Nest Te Kōhanga, import of new or replacement animals and innovative visitor engagement are compromised, this may lead to a loss of highly valued staff and visitors.

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



*Visitors create Green Beats at Green Zoo Green You.*

## 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 encourage people to find their personal connection with nature.

#### **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**

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. We have accepted that our business model and decision making needs to adjust for this change as part of business as usual going forward. We have addressed this by reassessing our pricing policy and ensuring we still offer value for money and accessibility through the year.

On the other hand costs continue to rise especially for animal food and services such as electricity. This creates a tension between revenue and expenditure and requires serious consideration of all expenditure if the zoo is to remain value for money and accessible for our community.

The Board and Strategic Management Team continue to analyse our business model as we consider ongoing changes in our operating environment.



*Dr Lisa Argilla cares for a baby Kereru at The Nest Te Kōhanga*

### **c) Strategic Framework**

Wellington Zoo Trust seeks to support Wellington City Council in its strategic objectives as indicated below.

Towards 2040 Strategy positions Wellington as an internationally competitive and connected city with a strong and diverse economy, a high quality of life and healthy communities. It acknowledges and builds on Wellington's current strengths. As the 'coolest little capital in the world' Wellington has much to offer in terms of lifestyle and opportunities and a world class zoo is intrinsic to this mix of offerings for Wellingtonians and visitors.

For the Zoo, this means continuing its meaningful work of inspiring and educating visitors about conservation and the world we live in, providing Wellingtonians and visitors with a facility they are proud of, where they can interact with animals and where they can learn about leading sustainability business practices. The Zoo has consistently been recognised as a leader in this area. We are committed to innovation and to redefining the zoo experience for our community.

Wellington Zoo can be seen as an important part of the regional fabric that stimulates overall wealth creation and social stability and raises awareness of conservation and environmental issues.



*Young visitors meet a Bearded Dragon up close at the Cool Creatures Up Close talk.*

In addition, the Zoo, as an accredited member of the Zoo Aquarium Association Australasia, interacts continually with equivalent international facilities. The Zoo holds a range of community focussed events, provides interactive learning experiences and provides engaging volunteering opportunities for Wellingtonians.

The Zoo also encourages economic connections; as an employer, through partnerships (including with universities and commercial sponsors), and through showcasing new technology, innovative conservation practices or innovative visitor attraction practices to enhance the city's reputation for being smart.

We have an explicit educational remit and offer many forms of learning, up skilling, capability building and research partnerships with other organisations. We are an environmental social enterprise, investing in wildlife conservation and our community.

These important activities have the highest risk of being compromised through financial constraint. These activities are also some of the highest ranked activities for a modern zoo in the world Zoo and Aquarium Conservation 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 21<sup>st</sup> century conservation programmes on site and off site. Community space such as the Zoo become 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.

In these ways we contribute to the **Living City Programme and the Economic Development Strategy**.



*Creating memories at the daily Giraffe Talk*



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

**1. Create outstanding, intimate and unique visitor experiences**

Wellington Zoo will continue to build its reputation as a unique and intimate zoo by including more opportunities for our visitors to experience contact animals throughout the Zoo. In addition, since the start of the Zoo Capital Plan (ZCP) we have seen a positive trend in increased visitation (2011-12 was a record year of visitation at 216, 657 visitors). The redevelopment itself will provide the impetus for creative design, new technologies such as the use of QR codes in our STQRY app to increase the information available to visitors at the Zoo's exhibits, improved accessibility and innovative practice as the capital projects are developed. We work with a range of architects, designers and construction firms in our city to drive excellence in visitor experience for all visitors.

We seek to ensure the Zoo is accessible for our community by improvement of gradients for disabled visitors and those with strollers. We also discount our admission prices throughout the year to enable access for those less financially fortunate and host events such as Neighbours Night to allow free admission to those living close to the Zoo, many of whom are financially disadvantaged. This way we contribute to **the Accessible Wellington Action Plan 2012-2015** by reducing social and physical barriers for our community.



*Neighbours' Night barbeque in 2012*

We are part of an Australian Research Council funded project involving us together with Taronga Conservation Society Australia in Sydney and Bronx Zoo in New York to research the importance of follow up connections with visitors via the web to encourage action for the environment. This project is being facilitated by some of the world's most respected visitor experience researchers.

We will be participating in a research project with Massey University this year to assess the impact of our email newsletter effectiveness. As we use social media and electronic

media to deliver messages to our supporters and our community this research will enable us to utilise this in the best possible ways.

## **2. *Integrate conservation and sustainability across the organisation***

The Zoo is perfectly positioned, as a multi award winner in sustainability and conservation, to take an active role in delivering conservation and sustainability messages to a large audience of over 250,000 visitors on-site and many more online.

Our ambition is to become the first CarboNZero zoo in the world. This will require investigation and planning to decide the best way forward to achieve this aim. We have an intern from BECA funded through DIA Community Internship Fund who will spend six months at the Zoo from January 2013 to examine our carbon footprint and provide advice on how we can achieve this target.

We have recently undertaken extensive qualitative research to assess the conservation community's view of the position of the Zoo in the conservation arena. This research is now complete and will form the basis of our positioning, projects and communications in this space. The recommendations from this report will complement the Conservation Strategy for the Zoo which was last reviewed in 2012.

Wellington Zoo is committed to conservation being the underpinning reason for existence as stated in our Conservation Strategy. We are a key stakeholder in collaborative conservation breeding as well as science and veterinary research programmes within the zoo industry, other conservation agencies in Wellington and across New Zealand.



*Learning about plants on Arbor Day at Tarakena Bay*

### **3. Achieve financial sustainability**

The Trust now contributes approximately 50% of its operational costs and has increased this gradually since the inception of the Trust from 37%. We have grown the business and developed a more sophisticated offering, while increasing our share of the costs of running a modern zoo. We have more than met our fundraising targets for the ZCP to date and continue to review our strategies in this area to increase our external funding. We see this as imperative as we work in partnership with Council to improve the facilities at the Zoo. We are more than aware of our commitment to reduce reliance on Council funding.

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 60 people and by being one of the largest businesses in Newtown.

The Trust will continue its commercial imperatives this year to ensure financial sustainability and to meet budget for 2013-14. While we recognise the impacts on the reduction of the operating grant we will ensure we meet budget by our usual process of scrutiny for expenditure and revenue targets during the year. The financial information attached reflects the reduction in the Operating Grant from WCC.



#### **4. Build lasting community support and participation**

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

The Zoo seriously considers its cost accessibility for all Wellingtonians. The Trust will continue to ensure accessibility for Wellingtonians through excellent value memberships and a strategic discount policy. We are also improving the gradients in the Zoo through the ZCP and this has benefits to the mobility challenged amongst our visitors. We do all we can to contribute to the Council's accessibility strategy for all our citizens. 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.



*Children's Day 2012*

#### **5. 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. Wellington Zoo is the only New Zealand zoo which is a member of the global Ivy Zoo Symposium which is for zoos around the world that are over 100 years old. We are also the only NZ Zoo which is a member of the Sustainable Business Network.

Wellington Zoo has been recognised in a multitude of awards over the past four years, from sustainability to business and environmental leadership.

The Zoo is responsible for population management within the collection for managed regional species. There is a number of Zoo staff who hold regional zoo industry positions, including the Chief Executive who is the President of the Zoo Aquarium Association Australasia.

Our partnership with Massey University for the Wildlife and Zoo Medicine 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. As Massey is the only university with a veterinary school we believe this partnership adds to the capability of veterinary work across New Zealand. As our Masterate residents complete their studies they will be highly skilled veterinarians in the field of conservation medicine. 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 NZ through the highly respected work at The Nest Te Kōhanga.

## **6. Ensure all staff motivated and valued**

Wellington Zoo has been successful in attracting talented staff through good recruitment practice. One of the key reasons that the Zoo has achieved so many successes over the past three years is the quality of its people. It is imperative that we do all we can to retain them and, where required, to continue to attract high calibre staff. One of the key areas to continually focus on is our people, through training and development which is a key strategic imperative.



*Wellington Zoo Staff 2012*

## **3. 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
- Management of collection animals to achieve excellent levels of health and emotional/psychological well-being
- Contribution to conservation through advocacy, support for ex situ and in situ 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

### **Contribution to our city**

The Zoo will be a strong contributor to our city, focusing on knowledge, innovation and positive action. It will contribute 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.

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.

## 4. Performance Measurements

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

Measure	Frequency of Measure	Target 2013-14	Target 2014-15	Target 2015-16	Notes
Fundraising targets for ZCP reached or exceeded	Annually	\$400,000	\$125,000	\$123,000	Varies according to ZCP Business Case and CAPEX spend
Meeting ZCP project timing and budget programme	Per project	Completion of Servals, Dingoes and Wallabies Start Meet the Locals	Phase one of Meet the Locals	Phase Two of Meet the Locals	
Increase total admissions by 2% each year on base year 2005/06 (170,116 visitors) as per Business Plan	Quarterly	216,890	221,228	225,652	These figures are above the required 2% pa as agreed in the ZCP Business case
Ratio of Trust generated income as % of WCC grant	Quarterly	118%	122%	125%	
Average income per visitor from Trust generated revenue	Quarterly	\$14.82	\$14.95	\$15.10	
Average WCC subsidy per visitor	Quarterly	\$12.52	\$12.27	\$12.03	
Staff turnover (not including casual and fixed term roles)	Annually	<15%	<15%	<15%	
Collection in managed conservation breeding programmes (% of total Collection)	Annually	<41%	<41%	<41%	Percentage approved by Zoo Aquarium Association Australasia
In the wild conservation projects supported	Annually	≥4	≥4	≥4	New measure
Wellingtonians visiting the Zoo	Annually	50%	50%	50%	Taken from RSS and Zoo Market research
Volunteer hours (FTE)	Annually	≥5 FTE	≥5 FTE	≥5 FTE	
Measure visitor feedback and satisfaction	Annually	1 research project	1 research project	1 research project	

**Budgeted Visitor Numbers by Quarter for 2013-14**

<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
50,286	57,194	61,428	47,982	216,890



## 5. 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 and Wellington City Council Chief Executive on a regular basis. The Wellington Zoo Chief Executive meets regularly with Officers of the Council Controlled Organisation Monitoring Unit and other Council Management when appropriate. The Chair and Chief Executive attend the CCO Performance Monitoring Sub Committee 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 which is addressed in the Memorandum of Understanding with Wellington City Council Communications
- 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 2014
Simon Marsh	31 October 2013
Linda Meade	30 June 2015
Alan Dixson	31 December 2015

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 Chair of CCOPS on the Board review and outcomes by September 2013.

## ANNUAL GENERAL MEETING

As Wellington Zoo Trust does not have elected position holders, voting shareholders or voting members we will not be holding an AGM. This was advised to WCC during the Plimmer Review. However we will hold an open Community Meeting to discuss the strategic outcomes and activities for the Zoo in 2013-14, the date for this Community Meeting is to be confirmed.

## 6. Organisational Health, Capability and Risk Assessment

Wellington Zoo Trust has a Finance, Audit and Risk Committee which meets as required throughout the year. The Board monitors our risk matrix at each Board meeting and this matrix is updated as required. The Trust also has a rigorous Risk Management Policy.

Health and Safety is managed via the Manager Capital Development who has this area of responsibility. He works with our Safety Improvement Team to ensure safe practices in the Zoo from 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.

Wellington Zoo has extremely robust policies in place to manage and report on health and safety issues.

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. Every occupied building has an emergency procedures plan at the main entry and exit points of the building along with instructions of what to do in the event of an earthquake.

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, 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.

Wellington Zoo has extremely robust policies in place to manage the procurement and monitoring of contractor's health and safety issues.

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.

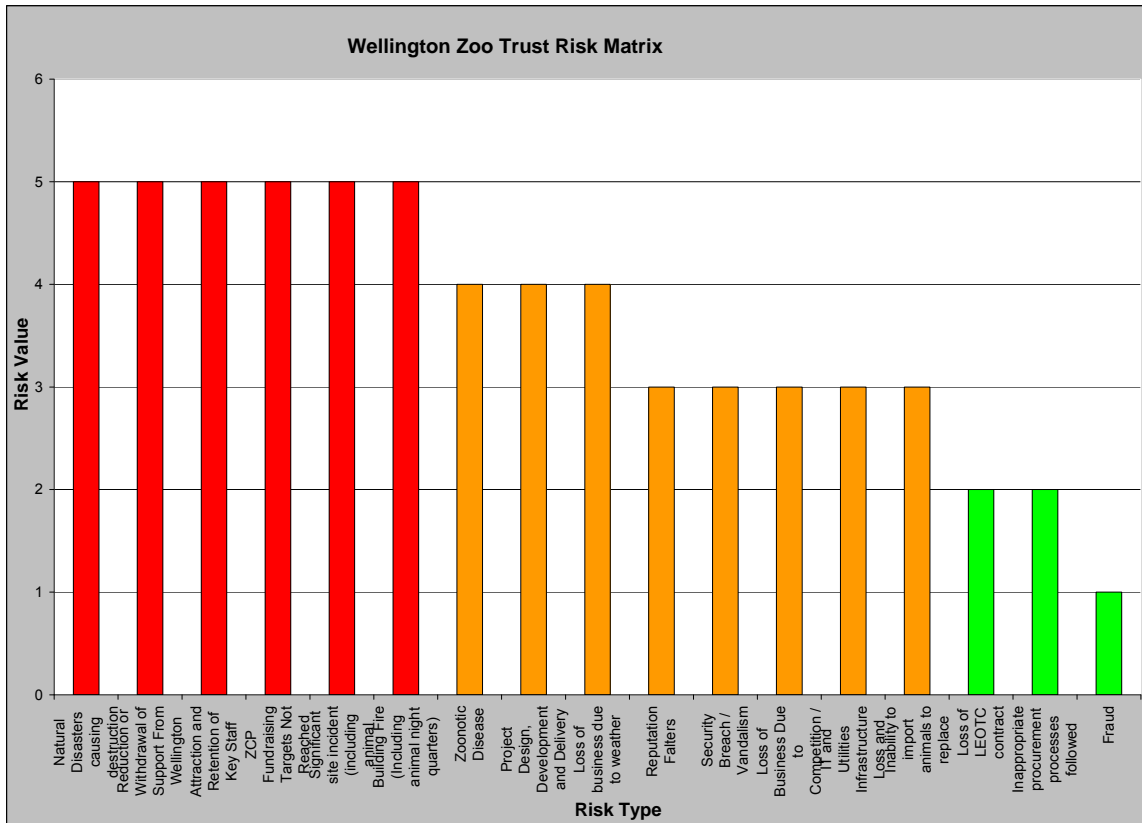
Before a contractor is engaged they must provide a site specific safety plan which includes Wellington Zoo's health and safety plan as a back to back document for that specific project. When inducted to site the contractor is questioned on our health and safety plan to ensure that they understand the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

The Business Continuity Plan is reviewed annually.

## 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	Owner
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.	GMO
2	Financial, H & S, Operational, Collection, Visitation, Reputational, Fundraising	Reduction or Withdrawal of Support From Wellington City Council	-1	6	5			Business Plan, Recognition Policy, Statement of Intent, Contract for Services, Communications Strategy	CEO
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, Remuneration Policy and ability to pay market rates.	CEO
4	Financial, H & S, Visitation, ZCP	ZCP Fundraising Targets Not Reached	-1	6	5		\$469K: 12/13 Financial Year	Fund Raising Strategy, Projects on hold relationship building. Launch new capital revenue stream through a major donor campaign.	Group Manager Commercial Development
5	Financial, H & S, Operational, Visitation, Reputational Fund Raising, ZCP	Significant site incident (including animal related incidents)	-2	7	5			Health & Safety Management System, Emergency Procedures, Safe Operating Procedures, Containment Standards, Staff Training	CEO
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	GMO
7	Financial, H & S, Operational, Collection, Visitation	Zoonotic Disease	-3	7	4			Avian influenza contingency plan, Zoonotic diseases policy, MAF Guidelines, ERMA policies	GMO
8	Financial, H & S, Operational, Visitation, Fundraising, ZCP	Project Design, Development and Delivery Risk (including not obtaining resource consent)	-2	6	4			Project Management Process	CEO
9	Financial, H & S, Operational, Collection, Visitation	Loss of business due to weather	0	4	4			Marketing Strategy. Investment in all weather sites such as Kamala's. Increased focus on Zoo Crew to ameliorate admissions cash flow being impacted by poor weather. Promotion of reduced fee admissions tickets on group buying websites if we have a prolonged period of bad weather over holidays.	Group Manager Commercial Development
10	Financial, Operational, Reputational, Visitation, Fundraising, ZCP	Reputation Falters	-3	6	3			Code of Conduct, Communications Strategy, Fund Raising Audit Process	BOARD
11	Financial, H & S, Operational, Collection	Security Breach / Vandalism	-2	5	3			CCTV System, Security Alarms, Maintenance of Perimeter Fence	GMO
12	Financial, Reputational, Visitation, Fundraising	Loss of Business Due to Competition / Economic Downturn	-1	4	3			Business Plan, Strategic Plan	CEO
13	Financial, Operational, Visitation, Fundraising, ZCP, Collection, H & S	IT and Utilities Infrastructure Loss and Failure	-1	4	3			Emergency Procedures Manual, Zoo Manual	GMO
14	Financial, Operational, Visitation, Reputational Fund Raising, ZCP	Inability to import animals to replace collection	-1	4	3			Collection Plan	CEO
15	Financial, Operational, Reputational, Visitation, Fundraising	Loss of LEOTC contract	-2	4	2		\$81,000 p.a.	Meet KPI's as per Contract	Group Manager Visitor Engagement
16	Financial, Operational, Reputational, Fund Raising, ZCP	Inappropriate procurement processes followed	-2	4	2			Procurement Policy, Register of Interests	CFO
17	Financial, Operational, Reputational, Fundraising	Fraud	-3	4	1			Well documented procedures and spot audits of procedures. Daily sign off for banking and float reconciliations	CEO








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.

□

## 7. 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 continued **operational funding grant of \$2,715,000** for 2013-14 as per the Letter of Expectation.

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 has requested that the Council approve **\$1,600,000 for CX340** as per the LTP for the current ZCP.

The Board acknowledges the **\$240,933 currently in the Long Term Plan for CX125** (Zoo asset renewals) for 2013-14. The Trust and officers continue to work together to ensure there is a sufficient level of asset renewal work undertaken.

**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 2014.

## **8. 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 has been negotiated for a period of 3 years to 30 June 2012. This contract has been extended for a further year to 30 June 2013. 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 2012. The financial statements were authorised for issue for the Board of Trustees on 10 August 2012.

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

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 unless otherwise stated.

### **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 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 consist 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:

<b>Plant</b>		
	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
<b>Furniture and Equipment</b>		
	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 Benefits**

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.

### **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).

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a director 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

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

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced. The new standard is required to be adopted for the year ended 30 June 2014. The Trust has not yet assessed the effect of the new standard and expects it will not be early adopted.



**Ross Martin, Chair**

April 18, 2013

## 9. Appendix: Forecast Financial Statements

CCO: Wellington Zoo Trust Business Plan 2013/14		\$NZ000's							
Estimate 30-Jun-13	EARNINGS STATEMENT	Qtr to 30-Sep-13	Qtr to 31-Dec-13	Qtr to 31-Mar-14	Qtr to 30-Jun-14	Total YE 30-Jun-14	Total YE 30-Jun-15	Total YE 30-Jun-16	
	<b>Revenue</b>								
2715	Trading Income	572	776	813	601	2,762	2,855	2,955	
2799	WCC Grants	679	679	679	678	2,715	2,715	2,715	
82	Other Grants	21	21	20	20	82	82	82	
200	Sponsorships and Donations-Operational	48	76	54	72	250	250	250	
469	Sponsorships and Donations-Capital				400	400	125	123	
48	Investment Income	9	5	9	7	30	30	30	
87	Other Income	22	23	22	23	90	90	90	
6,400	<b>Total Revenue</b>	1,351	1,580	1,597	1,801	6,329	6,147	6,245	
	<b>Expenditure</b>								
3,975	Employee Costs	984	985	987	982	3,938	4,000	4,054	
1,919	Other Operating Expenses	546	496	466	462	1,970	2,000	2,050	
18	Depreciation	5	5	5	6	21	22	18	
0	Interest	0	0	0	0	0	0	0	
469	Vested Assets				400	400	125	123	
6,381	<b>Total Expenditure</b>	1,535	1,486	1,458	1,850	6,329	6,147	6,245	
19	<b>Net Surplus/(Deficit) before Taxation</b>	(184)	94	139	(49)	0	0	0	
0	Taxation Expense					0	0	0	
19	Operating Surplus (Deficit)	(184)	94	139	(49)	0	0	0	
19	<b>Net Surplus/(Deficit)</b>	(184)	94	139	(49)	0	0	0	
0.3%	<b>Operating Margin</b>	-13.6%	5.9%	8.7%	-2.7%	0.0%	0.0%	0.0%	





Estimate 30-Jun-13	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-13	As at 31-Dec-13	As at 31-Mar-14	As at 30-Jun-14		As at 30-Jun-15	As at 30-Jun-16
	<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
436	Restricted Funds	436	436	436	436		436	436
307	Retained Earnings	123	217	356	307		307	307
743	<b>Total Shareholder/Trust Funds</b>	559	653	792	743		743	743
	<b>Current Assets</b>							
1,379	Cash and Bank	1,920	1,340	2,205	1,484		1,506	1,546
60	Accounts Receivable	60	60	60	60		60	60
60	Other Current Assets	60	60	60	60		60	60
1,499	<b>Total Current Assets</b>	2,040	1,460	2,325	1,604		1,626	1,666
	<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>							
80	Fixed Assets	75	70	65	59		37	19
0	Other Non-current Assets	0	0	0	0		0	0
80	<b>Total Non-current Assets</b>	75	70	65	59		37	19
1,579	<b>Total Assets</b>	2,115	1,530	2,390	1,663		1,663	1,685
	<b>Current Liabilities</b>							
388	Accounts Payable and Accruals	400	400	400	400		474	496
	Provisions						0	0
400	Other Current Liabilities	1,108	429	1,150	472		398	398
788	<b>Total Current Liabilities</b>	1,508	829	1,550	872		872	894
	<b>Non-Current Liabilities</b>							
0	Loans - WCC	0	0	0	0		0	
0	Loans - Other	0	0	0	0			
48	Other Non-Current Liabilities	48	48	48	48		48	48
48	<b>Total Non-Current Liabilities</b>	48	48	48	48		48	48
743	<b>Net Assets</b>	559	653	792	743		743	743
1.9	<b>Current Ratio</b>	1.4	1.8	2	1.8		2	1.9
47.1%	<b>Equity Ratio</b>	26.4%	42.7%	33.1%	44.7%		44.7%	44.1%

Estimate 30-Jun-13	STATEMENT OF CASH FLOWS	Qtr to Sep-13	Qtr to Dec-13	Qtr to Mar-14	Qtr to Jun-14	Total YE Jun-14	Total YE Jun-15	Total YE Jun-16
	<i>Cash provided from:</i>							
2,715	Trading Receipts	572	776	813	601	2,762	2,855	2,955
2,799	WCC Grants	1399	0	1400	0	2,799	2,715	2,715
82	Other Grants	21	21	20	20	82	82	82
669	Sponsorships and Donations	48	76	54	472	650	375	373
48	Investment Income	9	5	9	7	30	30	30
87	Other Income	22	23	22	23	90	90	90
6,400		2,071	901	2,318	1,123	6,413	6,147	6,245
	<i>Cash applied to:</i>							
3,975	Payments to Employees	984	985	987	982	3,938	4,000	4,054
1,919	Payments to Suppliers	546	496	466	462	1,970	2,000	2,028
	Net GST Cashflow					0	0	0
469	Other Operating Costs (VESTING)			0	400	400	125	123
	Interest Paid	0				0	0	0
6,363		1,530	1,481	1,453	1,844	6,308	6,125	6,205
37	<b>Total Operating Cash Flow</b>	541	(580)	865	(721)	105	22	40
	<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
0	<b>Total Investing Cash Flow</b>	0	0	0	0	0	0	0

Estimate 30-Jun-13	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-13	Qtr to 31-Dec-13	Qtr to 31-Mar-14	Qtr to 30-Jun-14	Total YE 30-Jun-14	Total YE 30-Jun-15	Total YE 30-Jun-16
	<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
37	<b>Net Increase/(Decrease) in Cash Held</b>	541	(580)	865	(721)	105	22	40
1,342	<b>Opening Cash Equivalents</b>	1,379	1,920	1,340	2,205	1,379	1,484	1,506
1,379	<b>Closing Cash Equivalents</b>	1,920	1,340	2,205	1,484	1,484	1,506	1,546

Estimate 30-Jun-13	<b>CASH FLOW RECONCILIATION</b>	Qtr to 30-Sep-13	Qtr to 31-Dec-13	Qtr to 31-Mar-14	Qtr to 30-Jun-14	Total YE 30-Jun-14	Total YE 30-Jun-15	Total YE 30-Jun-16
19	<b>Operating Surplus/(Deficit) for the Year</b>	(184)	94	139	(49)	0	0	0
18	Add Non Cash Items							
	Depreciation	5	5	5	6	21	22	18
	Other (Gifted Hospital Assets)		0		0	0	0	
37		(179)	99	144	(43)	21	22	18
	<b>Movements in Working Capital</b>							
	(Increase)/Decrease in Receivables	0	0	0	0	0	0	0
	(Increase)/Decrease in Other Current Assets	0	0	0	0	0	0	0
	Increase/(Decrease) in Accounts Payable	12	0	0	0	12	74	22
	Increase/(Decrease) in Other Current Liabilities	708	(679)	721	(678)	72	(74)	0
0		720	(679)	721	(678)	84	0	22
	<b>Net Gain/(Loss) on Sale:</b>							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
37	<b>Net Cash Flow from Operations</b>	541	(580)	865	(721)	105	22	40