



Statement of Intent and Business Plan 2020-21

Wellington Zoo Trust Me tiaki, kia ora!

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



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1. INTRODUCTION

Wellington Zoo is the Zoo with the biggest heart – a creative, innovative and progressive zoo which exists to create community value and to solve important social and environmental problems. We have local and global influence in animal welfare, sustainability initiatives, community engagement and conservation outcomes. We live by the kaupapa of **Me tiaki, kia ora!** This means that we **must** care for the planet so that life will thrive.

Wellington Zoo is the most sustainable zoo in the world. The World Association of Zoos and Aquariums inaugural Environmental Sustainability Award was awarded to Wellington Zoo in 2018. We believe that sustainability is an integral part of being an iconic organisation in our livable city. Our success as a cause-related business continues through prudent management and we work hard to connect to our diverse community of all ages. The animals who are cared for at Wellington Zoo are given the best lives possible and we take pride in being an Animal Welfare Accredited zoo - we received another three year accreditation in April 2019.

Future capital investment through upgrades and renewals will ensure the Zoo remains leading edge and we believe acquisition of animals, such as snow leopards, allows us to tell both local and global conservation stories which will drive positive action for the environment within our community. We see our capital investment and asset planning **as a response to community** expectations of a progressive and professional zoo and to create **ongoing resilience** for one of our city's most iconic places.

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

COVID-19 Impact

Wellington Zoo Trust is a people based conservation organisation. Our operational excellence relies on people. Our work as a progressive zoo is important – we don't want to lose what we have built as that would affect our credibility and our ability to engage with the community, partners and funders into the future. Even though we are faced with uncertainty in the next two years we want to deliver our strategic priorities albeit with newly shaped time frames. The COVID-19 situation has created a number of challenges but may also create opportunities.

This has been a time to urgently grapple with immediate revenue loss and financial viability impacts in the 2002-21 year; the immediate safety of staff and animals; threats to business security; and the impacts on partners and supply chains. The positive for us going forward is to see the potential for us to make agile shifts in how we do business. We are taking inspiration from the resilience and perseverance of people in our teams and our networks and continue to have these ongoing conversations as we lean into what's coming. We should recognise that nobody in living memory has had to manage through a pandemic, let alone in a world as interconnected and interdependent as it is today. But Wellington Zoo has come through the Spanish Flu Pandemic of 1918, two world wars, the Great Depression and the GFC. We are resilient. The attractions industry is resilient and all new research indicates this is the case. We can take the lessons from past experience by reinvesting in the quality of the product and visitor experience, maintaining investment in imaginative marketing campaigns and events and deepening customer relationships, especially through the staging of relevant digital experiences.

Refocusing on purposeful leadership will help our Zoo obtain clarity on individual and organisational choices and direction. Refining and strengthening our purpose can help us all to create the new business opportunities as that becomes possible, and shape success from this crisis. In December 2019, Bina Venkataraman, author of *The Optimist's Telescope: Thinking Ahead in a Reckless Age*, suggested one of the most useful tools of the future thinker is to use prospective hindsight. That is, to imagine one or two potential desired scenarios and work backwards from the future to identify a plan that would lead to those points. We may have to allow our team time to accept that the new normal can no longer follow the old normal, and that preconceptions around work and connection have been altered for good. He says this overcomes our tendency to ask, 'OK, which future is more likely?'... He says 'It helps us to see the ways in which we have agency and choice to shape particular futures'.

We have tried to take an optimistic view as far as possible to protect our reasons for being and to live by our values. We do not want to lose our carbonzero status, we still want to care for wildlife, we want to support field conservation partners, we want excellent animal care for the Zoo's animals, engaging visitor experience for our community and we want to retain good people and be safe.

We are currently discussing what each alert level means for us in the new future but trying to take a long view. We don't want to waste the crisis by not assessing new ways of doing things, embracing technology and process improvement but we also want to stay true to our values and strategy. We are a people-based business with 71% of budget in salaries. We want to retain our excellent people.

Some of the reasons for an optimistic view for the future are that we have had much interest in our new catering EOI and also in the Snow Leopard project. Architecture Workshop is progressing with the Snow Leopard design phase and Story Inc are now on board for the interpretive design. Opening Snow Leopards will be a boon for us in 2021-22 and the project itself will provide more jobs for our city. Our social media uptake during Alert Level 4 has shown that people are still engaged with us and we can build on that community of support into the future. Staff morale is holding well.

In response to the letter from Councillor Jennie Condie on 13 May 2020 this final SOI will address, and provide an assessment of, the Trust's financial position and the approach planned for the year in light of the circumstances we all face as a result of COVID-19. Wellington Zoo is still in response mode to the pandemic but we are taking a *rebuild* and *regenerate* approach for our business planning over the coming eighteen months. We have taken a realistic approach to the COVID-19 impacts. As a fixed cost business we have very little room to move in operational expenditure. For the COVID-19 impact discussion we have used the parameters as requested by WCC.

We have discussed COVID-19 in the Operating Environment section (pp 10-14) of this final SOI. A COVID-19 budget and financial position is further expanded in the Financials section (pp 35-38). We have reviewed our Risk Matrix – we have included a risk for an extreme or prolonged event such as pandemic, terrorism or climate change (pp 25-28).

We plan to hold to our strategy as a place for people's wellbeing and the mission critical outcomes such as conservation, sustainability and community engagement. Our values as an organisation remain unchanged and we have ensured that our people and animals have been well cared for throughout the COVID-19 crisis.

We are grateful for the WCC support during this time and we have found that that opening the Zoo for free as part of the WCC pandemic plan has been very beneficial for our community. We have been overwhelmed by the community support for the Zoo while we have provided free entry with over half the pre-booked tickets (until the end of June) snapped up in the first 18 hours of being available. Our community love their Zoo and could not wait to come back and visit.

We have not changed the SOI measures in the COVID-19 related information as the financial realities make some of these, particular the financial measures, redundant. The non-financial measures remain as per the draft SOI. This area of the SOI will require further conversations with WCC over the coming year. We will update WCC in our quarterly reports as the coming year unfolds.

We acknowledge the WCC Grants as expressed in the Annual Plan as outlined in the 13 May 2020 letter.

2. CONTRIBUTION TO OUR CITY

Wellington Zoo is a strong contributor to our city, focusing on knowledge, collaboration, innovation and positive action. It contributes to the vibrancy and forward thinking of our city. We aim to be a reflection of our city and contribute, as a cutting edge cause-related business with talented people, to the thriving cultural and natural heritage of Wellington as a liveable city. The Zoo contributes strongly to liveability outcomes by being an integral part of the well-being of people that Wellington is renowned for amongst New Zealand cities.

We are working with WellingtonNZ and other partners to ensure economic growth for our city. As winners of the World Association of Zoos and Aquariums inaugural Environmental Sustainability Award, Green Gold and Vibrant Gold in the Wellington Gold Awards and the supreme winner of the Wellington Region Business Awards, we believe we are perfectly placed to add value to the economy of our region.

Wellington Zoo will be seen as:

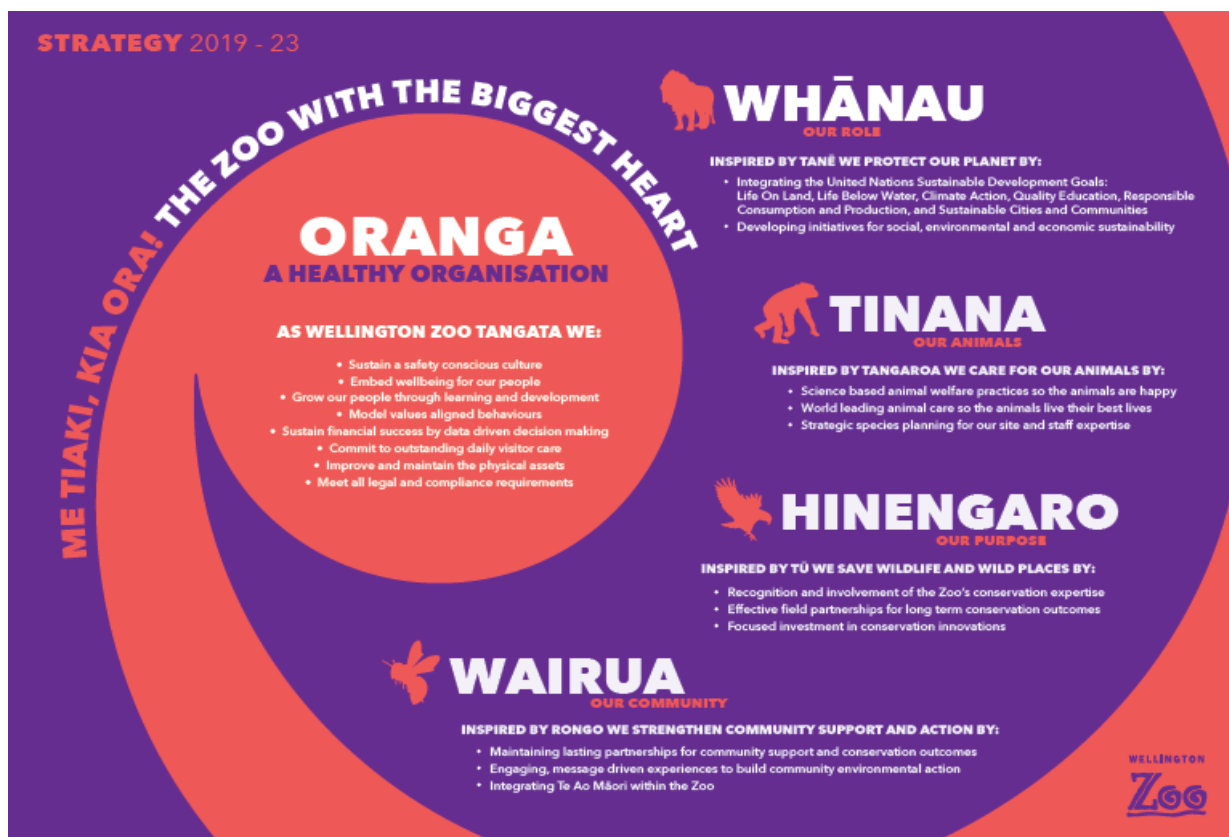
- A leader in the city in shaping the community's views on and action for conservation and sustainable living.
- A valued and valuable member of the Wellington regional community that adds to the prosperity of our city through business activity, events, connections, inclusivity and engagement for children and their families and other members of our society.
- 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.
- An important part of the regional fabric that stimulates overall wealth creation, social stability and connects people to conservation and environmental issues. As our region's only zoo we are a unique asset for a vision for a sustainable city.

3. STRATEGIC DIRECTION

Wellington Zoo has renewed its strategy for 2019-23. The strategy integrates te ao Māori, the Global UN Sustainable Development Goals (SDGs) and the key strategic focus areas for the Zoo over the next five years. The strategy outlines the strategic why, how, what approach we have taken, the SDG materiality undertaken with Toitū and the te ao Māori approach completed with Neavin Broughton from Taranaki Whānui ki Te Upoko o Te Ika. The Wellington Zoo strategy is in line with **Wellington City Council's Te Taihu Te Reo Māori Policy and Te Mapihi Maurea Naming Policy** and we are working with WCC officers to ensure our process aligns with that of Council.

The five year strategy (below) blends the major outcomes for the Zoo into key areas - it embraces our role as a community organisation, the capital city Zoo and as an organisation that values its people. Using the inspiration of Atua and Māori concepts we are able to define our areas of focus over the coming five years. It is an exciting vision for the Zoo and creates a strategic context for our kaupapa.

Wellington Zoo's strategy is about the Wellington Zoo of the 21st century and seeks to take us into a new realm, building on our success of the past few years. We will be using the Zoo's rebuilt physical platform to unlock the potential for Wellington Zoo to be seen as a leader and trusted voice in the conservation of species, engagement with community, excellence in animal welfare and sustainability outcomes. We have combined a global vision with local action so that we can be change makers for a better planet. **This aligns with Council's Aho-Tina Strategy and vision for Wellington as a creative city.**



As a sustainable organisation and as a community forum we must consider the **UN Sustainable Development Goals (SDGs)** in our approach. These 17 global goals set the framework for global prosperity - the very things we all want for our city. While we would aspire to address all 17 goals we are realistic and feel that we are in the best position to address many but not all. Sustainability is more than environmental initiatives and the SDGs frame that bigger picture.

The materiality assessment indicated five major goals for us – SDGs 4, 12, 13, 14 and 15. SDGs 11 and 17 are also important (see Materiality Assessment below). The materiality assessment considered input from Zoo members, conservation partners, Zoo staff and the Trust Board. The SDGs are firmly embedded into the new strategy and our impact will be measured over 2019-23. For us sustainability is more than maintaining the status quo – we aim to restore the planet so it thrives. Me Tiaki, kia ora!

Your materiality matrix



Wellington Zoo has been recognised in a multitude of awards over the past few years, from holistic sustainability to business and environmental leadership. We will continue to strive for excellence across our organisation. To achieve our strategy we will be ensuring our commitment to sustainability and our Toitū carbonzero certification continues with projects such as the solar power installation in as many Zoo buildings as we can. We intend to increase our EV fleet by two additional vehicles (four in total) this financial year to support the Council’s intentions in this area and obtain our electricity from Ecotricity, the only Toitū carbonzero certified electricity provider in New Zealand. **As a Toitū carbon zero certified organisation since 2013** we will continue to reduce our waste to landfill and work with officers to meet the **Regional Waste Management and Minimisation Plan and the Te Atakura, the First to Zero plan.** While we seek to continually reduce waste to landfill and we have investigated better solutions we are bound by contractual agreements until 2021.

During the coming year we will be seeking new contracts to align with Council expectations and our own.

Our values remain the same and flow more readily with the new strategy. Our values underpin our strategy and structure and they resound with our approach to being a welcoming, happy place. Our iwi alignment is reflected in the iwi interpretation of the values and we have worked with Taranaki Whānui ki Te Upoko o Te Ika to ensure the correct te ao Māori concepts reflect our intentions.



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 habitats which offer engaging experiences to visitors and high quality living environments to the resident animals.
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset.
- Educational curriculum delivery to develop children as contributing citizens.
- A safe and inspiring place for family engagement and community learning.
- Care of the Zoo's animals to achieve excellent levels of health and emotional/psychological well-being according to the Five Domains of Animal Welfare.
- Contribution to conservation through advocacy, support for field conservation programmes and sustainable management practices.
- Participation in collaborative inter-zoo, and other conservation agency, programmes.
- 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.

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; and

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.”

Operating Environment

As New Zealand’s capital city zoo we believe we should be providing a uniquely Wellington experience for families, school groups and other visitor groups - innovative, fun, professional, creative and personal.

We face challenges as a fixed cost organisation, especially in areas such as annual salary increases, cost increases from suppliers and the increasing need for commitment to conservation projects nationally and globally. However, **we support the Living Wage ethos and all Wellington Zoo employees are paid at, or above, the Living Wage. This will be part of our ongoing remuneration strategy for the Trust.**

The operating environment is supportive but also challenging in view of ongoing renewals of physical assets, ensuring the utmost safety for our people and the provision of current thinking on animal welfare. We have just recently passed our second three-year Animal Welfare Accreditation through the Zoo and Aquarium Association Australasia and this area of science continues to change rapidly so we must ensure we are meeting or exceeding current standards.

COVID-19 Impact

While WZT has been severely impacted by COVID-19 we plan to hold to our strategy and the mission critical outcomes such as conservation, sustainability and community engagement. Our values as an organisation remain unchanged and we have ensured that our people and animals have been well cared for throughout the COVID-19 crisis.

We are currently in **respond** mode to COVID-19. However, we are taking a **rebuild** and **regenerate** approach for our business planning over the coming 18 months. Our plans are to introduce new animal-related experiences for locals and domestic tourists, diversify our funding strategy from Trusts and Foundations to individual and corporate giving, changing the catering model to have an exclusive caterer who can drive business, ensuring our existing relationships stay solid and that our processes support our local and domestic focus. The percentage impacts we have outlined below reflect these changes to our business over the coming 18 months.

We are taking the opportunity to assess the data we have regarding visitors who have visited the Zoo during the free period. We are working with *DOT loves data* to understand those visitors more deeply. Interestingly, the results so far in this free period indicate that approximately 50% of visitors are from Wellington city, 35% from Greater Wellington and 15% from further afield such as Auckland and Invercargill. The redemption of booked tickets sits at approximately 80%. What has been clear is that all visitors have appreciated being able to visit for free and take their families to a safe, controlled environment during Alert Level 2. We are a place for community wellbeing and the reaction to us opening has proven that our community values the Zoo. All weekends through to June are booked out, and in the first 12 hours of bookings opening 21,504 bookings were made. We also had our first school booking at Alert Level 2, with Newtown School booking in for a visit in the first week of opening; and two schools that have booked in for virtual tours.

The response from the Wellington community to the Zoo re-opening has been outstanding, with engagement across all social media and online media outlets attracting thousands of comments.

When the Zoo website opened for bookings for the free entry tickets, demand temporarily crashed not only the NZ booking site, but the international supplier booking system. Our team provided quick and concise instructions and feedback for the community during the outage and the overwhelming feedback from the community has been extremely positive.

Retail sales are above what we would normally see during the week with visitors, anecdotally, using retail as a way to support the Zoo financially. We reached half of our May retail target in nine days.

COVID-19 Business Impacts and Financial Forecasts

Impacts 2019-2020

Wellington Zoo is still in response mode to COVID-19 until the end of the 2019-20 financial year. We are currently forecasting an operating **deficit to 30 June of \$703,034** against a break-even budget. We were forecasting a deficit of \$213,541 prior to COVID-19 and the impact of COVID-19 has given us no opportunity to pull this back through March to June. We had several initiatives in play for that period, which were side lined by COVID-19.

The impact on Wellington Zoo, without additional support, would be that the Trust would use all reserves and untagged operational reserves that have taken over ten years to accumulate. We have done this over this time as many of these programmes are 'lumpy' and do not allow us to manage these costs in an annual expenditure budget. These funds are for conservation programmes, international animal acquisitions such as chimpanzees, staff training and development and other strategic priorities such as the Te Ao Māori programme. Any tagged funds on hand cannot be touched as they were received for specific programmes or projects from various funders.

Revenue Lost due to COVID-19

- Visitor Revenue loss from 23 March to 30 June 2020 of \$999,729. Some schools cancelled before 23 March but they have not been included in this number.
- Operational Grants/Fundraising loss of \$53,840 against budget.
- Interest revenue reduction of \$5,853.
- Personnel expenditure is above budget by \$67,624 due mainly to increase in leave liability provision due to staff not taking leave over this period.

Revenue Received due to COVID-19

- Wage Subsidy received to 30 June 2020 of \$581,191. Cash received for the subsidy for permanent and casual staff was \$598,620 but \$17,429 of this subsidy covers casual wages in the new financial year 2020-2021.
- Other expenditure is below budget by \$75,547 mainly due to reduction in travel and training and reduction of cost of sales expenditure in line with retail revenue decrease.

The table below shows the full year forecast incorporating our financial results including the impact of COVID-19.

Wellington Zoo Trust	Forecast 2019/20	Budget 2019/20	Variance Forecast vs Budget 2019/2020	% Variance Forecast vs Budget 2019/2020
Revenue				
Total Visitor Revenue	3,198,849	4,407,038	(1,208,189)	(27)
WCC and MOE Grants	3,490,135	3,490,136	(2)	(0)
Other Revenue	450,042	477,673	(27,631)	(6)
Total Operating Revenue	7,139,026	8,374,847	(1,235,822)	(15)
Government Wage Subsidy	581,191	-	581,191	n.a
Total Revenue	7,720,217	8,374,847	(654,630)	(8)
Expenditure				
Total Personnel Expenditure	6,130,878	5,942,896	(187,982)	(3)
Other Expenses	2,292,373	2,431,951	139,578	6
Total Operating Expenses	8,423,251	8,374,847	(48,404)	(1)
Operating Surplus/Deficit	(703,034)	0	(703,034)	

Cash Flow Forecast April – June 2020

This table below shows what our cash position would have been without the impact of COVID-19, the impact it has had on our cash receipts and then the resulting impact of receiving the cash from the wage subsidy. This table shows the impact on our available funds. Our cash balance is shown net of reserves, tagged and untagged reserved funds of \$2,323,963. These funds are not available to be used as cash flow.

Cashflow Forecast April-June 2020	Pre COVID-19	COVID-19 impact	COVID-19 impact (with receipt of wage subsidy)
	\$	\$	
Cash was provided from :			
Receipts from customers	1,159,006	40,250	40,250
Wage Subsidy	0	0	598,620
Total Receipts	1,159,006	40,250	638,870
Cash was applied to:			
Payments to employees and suppliers	(2,180,558)	(2,180,558)	(2,180,558)
Total Payments	(2,180,558)	(2,180,558)	(2,180,558)
Movement	(1,021,552)	(2,140,308)	(1,541,688)
Cash balance at beginning	1,502,114	1,502,114	1,502,114
Cash balance at end	480,562	(638,194)	(39,574)

Business Planning 2020-2021 with COVID-19 Impact

This budget and business plan has been developed based on the following assumptions from WCC and our own view of the impacts on WZT from COVID-19. We have taken a realistic view based on what we know at this point in time. The uncertainty regarding recovery makes any further analysis difficult.

WCC Assumptions:

- Operating under Alert Level 2 from 1 July to 30 September 2020;
- Operating under Alert Level 1 from 1 October 2020 to June 2021;
- Trans-Tasman travel recommences for Q4 2020;
- If applicable, Council rents and charges continue as normal;
- No further financial assistance from NZ Government (wage subsidies); and
- Council grants unchanged from those currently in the 2020-2021 Annual Plan consultation document as per table below:

Operating Grant	\$3,494,475
Renewals Funding	\$910,991
Snow Leopards Funding	\$1,677,720

Based on these assumptions we have looked at potential revenue impacts and based revenue projections as a percentage of the previously approved SOI budget for 2020-2021 as shown in table below:

Revenue %	July-Sept 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-June 2021
General Visitors	60%	70%	80%	80%
Membership	-	70%	80%	80%
Close Encounters	-	70%	80%	80%
Venues	-	30% (Nov/Dec only)	30%	30%
Learning	-	70%	80%	80%
Retail	25%	70%	80%	80%
Café Commission	50%	100%	100%	100%
Catering Commission	-	30%	30%	30%

We have also forecast a reduction of **50%** for operational grant revenue (ie, all grants other than WCC and LEOTC) for the full year and interest revenue to **33%** of budget due to lower funding available and the impact of low interest rates.

The full impact of assumptions from Wellington City Council and our assessment of the impact of revenue show a draft COVID-19 **revenue reduction of \$1,687,007**. We have based our revenue on standard pricing maintained for the full year. We have, at this stage, assumed expenditure to be in line with previously approved budget with reductions in travel and cost of sales in line with retail revenue reduction. These reduce expenditure by \$111,452.

- The Zoo has no ability to fund this deficit in 2020-2021.
- Extension of wage subsidy eligibility is questionable due to the Zoo being free for month of June in that we have foregone possible revenue. The impact from not being able to apply for this for our full time staff is approximately \$340k.
- Impact on future visitation due to Zoo entry being free from 16 May-30 June 2020 is unknown. Additionally there may be an impact on the Zoo's ability to source third-party grant funding to support the Zoo's work programme. These funders have traditionally been through organisations such as Lotteries or Pub Charity and other gaming trusts. The impact of Covid-19 on global charities is expected to significantly reduce their ability to generate revenue and we are unsure how this will affect the Zoo's funding streams.

This results in a COVID-19 budget deficit of \$1,575,555 as per table below:

	COVID-19 Budget 20/21	Board Approved Budget 20/21	Variance COVID- 19 Budget vs Board Approved Budget 20/21	% Variance COVID-19 Budget vs Budget 2019/2020
Wellington Zoo Trust				
Revenue				
Total Visitor Revenue	3,007,520	4,557,356	(1,549,836)	(34)
WCC and MOE Grants	3,578,690	3,578,690	-	0
Other Revenue	130,400	285,000	(154,600)	(54)
Total Operating Revenue	6,716,610	8,421,046	(1,704,436)	(20)
Government Wage Subsidy	17,429	-	17,429	n.a
Total Revenue	6,734,039	8,421,046	(1,687,007)	(20)
Expenditure				
Total Personnel Expenditure	5,987,114	5,987,114	0	0
Other Expenses	2,322,480	2,433,932	111,452	5
Total Operating Expenses	8,309,594	8,421,046	111,452	1.3
Operating Surplus/Deficit	(1,575,555)	(0)	(1,575,555)	

Aligning with Council Strategy

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 city population grows there will be an even greater desire for the Zoo to be a sophisticated and accessible attraction which delivers 21st century conservation programmes and actions.

Wellington Zoo Trust's strategic areas are aligned to:

Connected City, Eco City, People Centred City

The Zoo is perfectly positioned, as a multi award winner in visitor experience, business leadership, vibrancy, sustainability and conservation, to take an active role in delivering conservation and sustainability messages to a large audience of 250,000 visitors on-site and many more online. We create compelling stories with clear calls to action and we craft community campaigns that move beyond simply raising awareness of an issue to driving lasting change and building a better world.

Wellington Zoo will continue to build its reputation as a creative and innovative zoo by including more opportunities for our visitors to experience multi-layered and multi-sensory learning experiences. We have rich content for storytelling and engagement with communities. We design creative and profound visitor experiences which connect people and animals in ways which inspire communities to take positive action for the environment.

Our commitment is to ensure continual improvement in visitor experience to achieve wider engagement within the community. We offer a range of events, discount days and other visitor programmes which ensure we engage our whole community in the work of the Zoo. **Accessibility is important to us as we believe that the Zoo belongs to everyone.**

We have achieved Be:Accessible Gold rating and we continue to improve the Zoo experience for all visitors, so that many more people have access to the Zoo in the ways that best suit them. We have embraced accessibility for the whole community by investing in recommendations from Be:Accessible to improve the experience for all people. **This aligns with Accessible Wellington, The Accessible Journey Action Plan 2019.**

Programmes such as The Warehouse Zoofari to support **low decile schools** in our region to have free transport costs and Zoo admission; LEOTC school discounted entry; free Neighbour's Night for our Newtown and Melrose locals in conjunction with City Housing and Newtown New World; discounted entry on Winter Wednesdays and Open Weekend ensure accessibility for a wider segment of the community. Over 50,000 people were able to visit the Zoo last year through these community accessibility initiatives.

Zoo Crew membership is continually increasing and this is a strategic aim for us as Zoo Crew provides an excellent value proposition for Wellington city ratepayers and residents who visit the Zoo often throughout the year. We know that Zoo Crew members visit on average four to five times per year (many individuals visit more often) so this offering makes a Zoo visit far more possible for many people.

As a child friendly city it's important for Wellington to cater for young people and their families, and for the Council this means providing safe, accessible and enjoyable places for recreation and play, and offering community events and activities that are suitable for all. **Our school holiday programmes are well attended and many other external holiday programmes visit the Zoo as part of their offering to the community.**

Eco City

Our end game is to save animals in the wild, locally and globally. We have a global conservation remit. We strive to show thought leadership in global conservation and sustainability by involvement with global partners and by taking leadership roles in the world and regional zoo professional community. We are respected in the zoo profession for our success in sustainability and we are a leading example of conservation investment and on ground conservation outcomes.

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

Our Species Plan focuses on the number of critically endangered, endangered and vulnerable species we have in human care at the Zoo and those we support through our conservation programmes in the animal's range state. This 20 year plan process is reviewed annually and redefined as we better align the animals we care for to the critical need in the wild.

The field conservation programmes for critically endangered and endangered species in their range state that we support are: Sumatran Tigers through Wildcats Conservation Alliance; Tasmanian Devils through Save the Devil Program; Malayan Sun bears through Free the Bears South East Asia; Cotton Top Tamarins through Proyecto Titi; Black and White Ruffed Lemurs through Madagascar Fauna and Flora Group; Chimpanzees through the Jane Goodall Institute; White-cheeked Gibbons through Fauna and Flora International, Vietnam; Kea through Kea Conservation Trust; North Island Kākā through breed for restoration programmes; Grand and Otago Skinks with DOC; Kororā and Tawaki through West Coast Penguin Trust and Golden Lion Tamarins through Associação Mico-Leão Dourado. The planned acquisition of Snow Leopards, Ring-tailed Lemurs and endangered Southern Hairy-nosed Wombats in the future will provide further opportunities for our community to engage with global conservation issues for endangered species.

The Nest Te Kōhanga, our state of the art veterinary hospital, works with a variety of native species. Native wildlife cases now make up 70% of the veterinary medicine case load – including many who are critically endangered. Our success in this area of successfully releasing injured native wildlife back to the wild is above world standard for zoo veterinary hospitals and we take great pride in this achievement.

People-Centred City, Connected City, Dynamic Central City

The Zoo's contribution to the economic development of our city is through its financial results, creating a place Wellingtonians can feel proud of, by the employment of over 100 people (80 FTE) and by being one of the largest employers in Newtown.

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

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. Our visitor numbers continue to grow. Our visitor feedback is positive and people are enjoying the continual change in the Zoo.

Connected City, Dynamic Central City

As one of the key environmental education providers in Wellington, the Zoo has a Learning Experience Outside the Classroom (LEOTC) contract with the Ministry of Education (MOE). Over **10,000 school children** annually experience a learning session with our conservation education experts at Wellington Zoo.

The MOE measures the success of the learning programmes at Wellington Zoo and we continue to receive positive feedback on our educator-led learning sessions and our innovative programmes that align with the Ministry's target areas, including improving education outcomes for Māori and Pasifika learners, special education learners and those from low socio-economic backgrounds.

Our partnership with The Warehouse continues to bring **low decile schools** from across the Wellington region to the Zoo for learning sessions as part of *The Warehouse Zoofari (Zoofari)*. Last year over 2,000 children from low decile schools, along with their parents and teachers, visited the Zoo as a result of *Zoofari* so the Zoo continues to build links to communities around the region.

Wellington Zoo's *Bush Builders* is a unique environmental literacy programme that helps children to discover for themselves the wonder of the world around them, in their own schools and homes, and to empower them to take positive action in their own communities. This successful programme has influenced over 4,000 students in our region.

Bush Builders emphasises the importance of building habitats for animals. The importance of plants within the animal habitats as well as in the visitor space is reflected in the beautiful gardens and native plants throughout the Zoo.

4. PERFORMANCE MEASUREMENTS

For the next three years the following table indicates the measures for WCC to monitor. These are linked to our strategic areas. These will be confirmed early in 2020-21 financial year. The out years may have become meaningless for financial measures given the COVID-19 impact. We will know more for the 2021-22 year.

WCC Performance Measures					
Measure	Frequency of Measure	Target 20-21	Target 2021-22	Target 2022-23	Notes
Visitors	Quarter*	254,000	255,000	256,000	To be reassessed over 20-21
Student and education visits	Annual	20,000	21,000	21,500	Conservation education programmes and student self-guided visits. COVID-19 impacts still to be determined
Council operating grant per visitor	Annual	\$13.76	\$14.10	\$14.45	To be reassessed over 20-21
Full cost to Council	Annual	<i>Not available from Council for Draft SOI</i>	<i>Not available from Council for Draft SOI</i>	<i>Not available from Council for Draft SOI</i>	This target is generated by Council and is not controlled by the Trust. It includes depreciation and shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant.
Trading Revenue per visit (excl. grants & interest)	Annual	\$17.77	\$18.66	\$19.17	To be reassessed over 20-21
Non-Council donations and funding	Annual	\$324k	\$324k	\$324k	Non-Council operational grants, donations, sponsorships and bequests. This target does not include any capital funding. Most likely to be affected by COVID-19 impacts.
Percentage of operating costs generated by the Trust	Annual	59%	59%	59%	To be reassessed over 20-21
Trust generated income as percentage of the Council grant	Annual	144%	142%	142%	To be reassessed over 20-21

***Target Visitor Numbers by Quarter 2020-21 - will be affected by Covid-19 impacts**

Q1	Q2	Q3	Q4	Total
49,304	66,626	68,451	69,619	254,000

Additional Zoo Performance Measures					
Measure	Frequency of Measure	Target 2020-21	Target 2021-22	Target 2022-23	Notes
Measure visitor feedback and satisfaction	Annual	8.5	8.5	8.5	This target is based on the overall experience rating which is measured out of ten.
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	25	25	25	
Percentage of native animals released to the wild after triage and treatment by the Nest Te Kōhanga (TNTK)	Annual	50	50	50	Post 72 hour triage period.
Percentage of OPEX directly contributed to field conservation	Annual	7%	7.5%	8%	This measure uses the Zoo Aquarium Association (ZAA) Australasia Framework to measure direct contributions to field conservation.
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo	Annual	12	12	12	
Participate in zoo-based research projects, scientific papers and presentations	Annual	10	10	10	These projects are directly related to conservation medicine, animal husbandry, animal welfare science and visitor engagement research.
Maintain Zoo and Aquarium Association animal welfare accreditation	Annual	Achieved	Achieved	Achieved	
Maintain Toitū carbonzero certification	Annual	Achieved	Achieved	Achieved	
Safety Improvement Team meeting attendance	Annual	80%	80%	80%	Measured against those staff available to attend meetings.
Successful emergency drill/incident debriefs held	Annual	8	8	8	Includes emergency drills, trial evacuations and real incidents occurring which require debriefing.
Volunteer engagement survey	Annual	1	1	1	This annual survey measures the satisfaction levels of those volunteering across the organisation.
Staff recognition programme	Annual	1	1	1	This measure refers to the year-long recognition of staff excellence at full staff meetings and culminates in the annual staff awards event in August.
Staff learning and development sessions held	Annual	10	10	10	In house learning opportunities from both internal and external speakers

5. APPROACH TO GOVERNANCE

Wellington Zoo Trust is a Council-Controlled Organisation (CCO) 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 Measures. 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 Council officers for CCOs and other Council management when appropriate. The Chair and Chief Executive attend the CCO Performance Committee meetings as required.

The Trust's Statement of Financial Performance and audited accounts will be presented to Council within 60 days of financial year end. **These statements include the budget from the SOI for the same period as per the Letter of Expectation and our usual approach to the accounts.**

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.

Wellington Zoo always publicly acknowledges Council's contribution to the Zoo as much as possible. We are grateful for Council support and seek to acknowledge this at events, animal habitat openings and other appropriate opportunities.

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

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

Board Membership

Name	Term Expires
Craig Ellison (<i>Chair</i>)	31 December 2020
Raewyn Bleakley	31 December 2020
Nina Welanyk Brown	31 December 2021
Fleur Fitzsimons	20 October 2022
Michael Potts	31 December 2022
Ben Bateman	30 June 2023

All Board members are non-executive.

Board Committees

The Board operates one committee - the Finance, Audit and Risk Committee.

Board Development

The Board conducts an annual review of overall Board performance which determines individual and chair 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 ten hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the Wellington City Council Chief Executive on the Board review and outcomes by 30 September 2020.**

6. RESILIENCE, ASSETS AND RISK

Wellington Zoo Trust has a Board Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our Risk Analysis and Mitigation Plan at least annually and this document is updated as required. Health and Safety (H&S) is currently managed via the GM Safety, Assets and Sustainability who is a direct report to the Chief Executive. The H&S Advisor works with our Safety Improvement Team to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the Strategic Management Team (SMT) and by the Board at their regular meetings. An Annual H&S action plan is developed with the SMT and progress is reviewed against these actions at each Board meeting.

As with all our H&S responsibilities the Board (and other officers of the Trust) acknowledges and understands its accountability. We have made the appropriate improvements to ensure the new H&S legislation is well managed and that the Trust meets the required reporting, monitoring and reviewing of H&S objectives. We have regular conversations with relevant WCC officers in regard to H&S activities where we have overlapping duties to ensure WZT and WCC are aligned in our approaches.

The renewals budget allows us to maintain a resilient asset for the city. **Future CAPEX investment** will ensure the Zoo continues to meet expected zoo standards of animal care, visitor experience and staff welfare. Significant investment from WCC for the Zoo Capital Plan (ZCP) has meant many of the older areas have been upgraded and elevated Wellington Zoo to be a world-leading progressive zoo. We need to continue to build on this and provide for our visitors, staff and animals.

The completion of the ZCP has seen the Zoo transform itself into a vibrant attraction with facilities that meet modern standards. Further improvements to Zoo facilities to house snow leopards is in the first half of the current LTP and cheetahs/lions redevelopments in the later half. Investment of \$3.702 million of capital expenditure in year two to four is planned to upgrade facilities at the Zoo to accommodate Snow Leopards. Wellington Zoo will fundraise \$925,500 towards the Snow Leopard project. **This fundraising target may be affected by Covid-19 pandemic impacts.**

The Trust has been successful in obtaining grants from Trusts and Foundations for capital works, and we plan to seek this type of funding for the Snow Leopards project alongside other funding opportunities as appropriate. We have had success in fundraising for both smaller and larger capital projects, including raising more than the required 25% of the total capital expenditure for the ten year ZCP project through to 2015/2016. More recently we additionally fundraised \$500,000 for the \$1.3 million Chimpanzee Park renewal project in 2017/2018, \$400,000 for the Giraffe habitat project renewal in 2019/2020, and \$100,000 for the Wellington Green Gecko Visitor experience and Tuatara Management facility in 2019/2020. We are confident the on-going development of the Zoo through the LTP and our engagement with Trusts and Foundations, in addition to the support of our broader community, will ensure this fundraising success continues.

The Snow Leopard project is currently in its early concept phase, with the design consultant team, Architecture Workshop, appointed in late February. The interpretive designer, Story Inc, has also been appointed now. The Zoo's intention is to complete the design and resource/building consent phase of the project by late 2020, with construction starting in early 2021. Construction is projected to take up to 12 months, so Snow Leopards can be expected to be seen by Zoo visitors in early 2022.

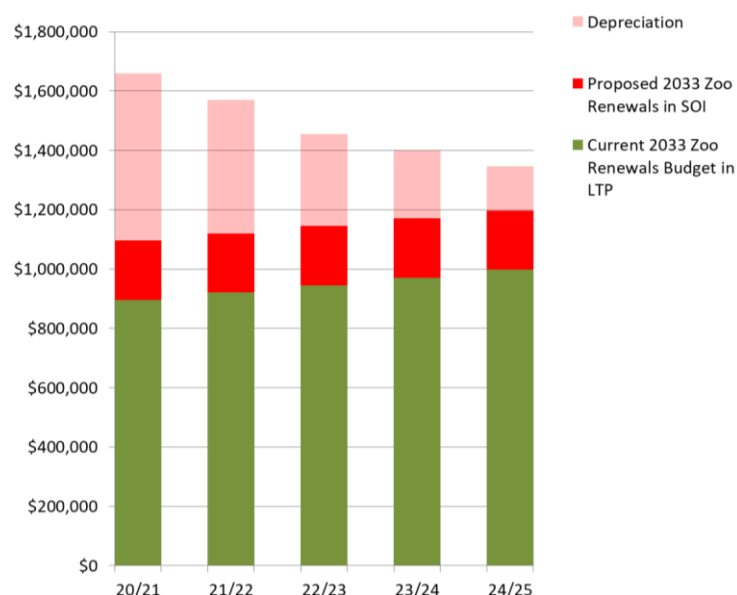
The Zoo is developing a detailed Asset Management Plan (AMP) linked to WCC AMP processes to ensure the ongoing maintenance and renewal of the Zoo asset and that we are executing our obligations under the Contract for Services. The AMP will enable the Zoo to manage asset lifecycles for a whole-of-life approach with due consideration given to WCC and Zoo joint objectives, provide assurance of funding required to cover existing and future asset renewals and

avoid critical failure of ageing infrastructure assets, update any assets not fit for purpose from an animal welfare standard and resolve any potential Health and Safety issues and the associated reputational risk these issues could bring

To date, we have completed a realignment of the Zoo’s existing assets into the WCC asset structure which will improve ongoing detailed financial reporting for the Zoo asset for WCC officers. We will continue to work with WCC officers to develop our detailed asset management plan in line with Council processes for asset renewals, business continuity and earthquake resilience in readiness for the Council Long-Term Plan development.

One of the challenges of maintaining the Zoo asset is the variable lifecycle ages of structures and animal habitats. As our knowledge of the animals in Zoo care increases, previous habitats and animal care and welfare practices can become outdated. Zoos’ internationally now consider 20 years to be too long and in global experience it is more realistic to plan for a **ten year life expectancy** for zoo animal habitat assets.

The Zoo’s position is that the current infrastructure renewals budget is insufficient to cover existing asset renewals. In the 2017/18 SOI we estimated additional funding of \$200k per annum was required to assist a programme of asset renewals, including animal habitats, visitor areas and pathways, buildings and essential plant and equipment.



The shortfall in the graph (above in red) indicates the propensity of the Zoo to achieve a total AMP result. In terms of maintaining current levels of service, this shortfall could result in a failure of ageing infrastructure assets, meaning assets are not fit for purpose, and could create potential H&S and animal welfare issues. The development of a detailed AMP, along with the revaluation and condition rating of the current asset, will allow the Zoo and WCC to interrogate this shortfall in greater detail, focusing on critical assets as a priority.

Working with WCC officers, we intend to carry out revaluation and condition rating of all Zoo assets to provide an objective assessment of the Zoo condition and more accurate depreciation figures. By working with WCC officers, this data can feed into the proposed WCC modelling programme, and will enable visibility and improved reporting across the Zoo asset for WCC and the Trust Board.

The Zoo’s Risk Matrix highlights the criticality of maintaining a resilient asset for the City. Impacts of a natural disaster, serious incidents and reputational falters are all potential risks if we are not able to adequately manage or resource the asset management programme and appropriately fund the renewals programmes sufficiently.

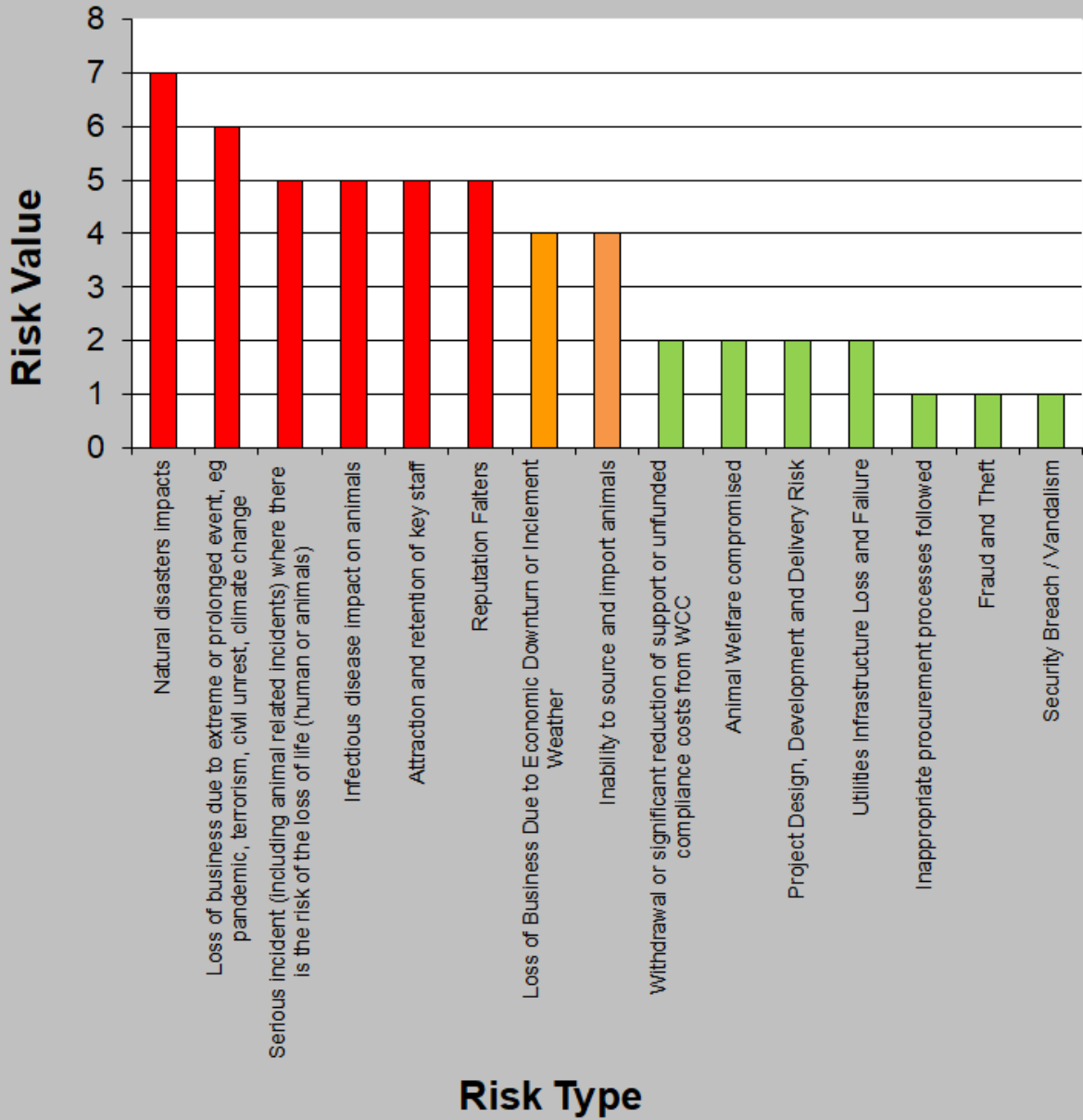
Proposed New Capital Projects	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	TOTAL
<p>Snow Leopards</p> <p>Snow Leopards are endangered in the wild, with a population of less than 4,000 thought to exist in their mountainous range state.</p> <p>International research shows that big cats are the biggest draw card for visitors attending zoos. As the only zoo in New Zealand with Snow Leopards, we would be part of the international commitment to protect this species via home range direct conservation action.</p> <p>The design consultant team is now being selected.</p>	308,000	1,677,000	1,717,000							\$3.702m Included in the LTP

Risk Analysis & Mitigation Plan for Wellington Zoo Trust

Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Natural disasters impacts	0	7	7	Business Continuity Plan, Emergency Management Plans. All documents reviewed annually. Regular practice drills carried out. Once emergency is over then a tactical marketing and communications plan will be implemented.	CE & Board	Board SMT
Loss of business due to extreme or prolonged event, eg pandemic, terrorism, civil unrest, climate change	-1	7	6	In the event of an extreme or prolonged event that results in a major impact on our business, we would implement tactical marketing and pricing and a targeted communications plan. Emergency logistics, animal management and procurement plans will be put into effect as required due to the nature of the event. Aspects of the planned recovery from such an extreme one off event are also covered in the Business Continuity Plan. Review and revise budgets, reduce spending as appropriate and investigate new revenue raising initiatives. Strong relationship with WCC, as owner, is paramount.	CE & Board	Board SMT
Serious incident (including animal-related incidents) where there is the risk of the loss of life (human or animals)	-2	7	5	Emergency Management Plans, Health & Safety Management System, Communications Plans reviewed annually. Regular practice drills carried out. Monitored Fire Alarms in all people occupied buildings and where possible in animal housing depending on risk. Building WOFs. Annual MPI audit and Containment Standards maintained. Inductions (staff and contractors), Monitor competency of staff and contractors. Two keeper system in place. Board and SMT site reviews.	CE & Board	Board SMT
Infectious disease impact on animal	-1	6	5	Health & Safety Management Plan, EPA/MPI policies, Infectious Diseases Policy, veterinary protocols and pre-import screenings.	CE & Board	Board GMAC&S, GMSAS
Attraction and retention of key staff	-1	6	5	Learning and Development strategy and opportunities. Career progression initiatives such as the Keeper development programme. HR policies. Remuneration Policy. Engagement through shared values. Employee Experience Journey protocols, eg advertising, induction	CE & Board	Board SMT
Reputation falters	-1	6	5	Communications protocols to communicate with key stakeholders, media and community in event of reputational risk. Strong relationship management with partners and stakeholders, eg DOC, MPI, WCC. Mitigations in place to avoid this happening include: Animal Welfare Accreditation, Euthanasia Policy, Code of Conduct, Media Relations Policy, Electronic Communications and Internet Usage Policy, Use of Social Media Policy, Disciplinary Policy, H&S Policy. Seek appropriate and timely advice.	CE & Board	Board SMT
Loss of business due to economic downturn or inclement weather	-1	5	4	As part of the annual planning process the operating environment is evaluated. In the event of an unexpected sharp economic downturn, tactical marketing and pricing will be put into effect and tempered by prudent financial management.	CE & Board	SMT Board
Inability to source and import animals	-1	5	4	Zoo Species Plan is continually updated. The Animal Science Manager position is responsible for sourcing animals. ZAA and WAZA members and have relationships with other zoos around the world to source animals through programmes such as ASMP. Strong relationship management with DOC, MPI and EPA.	CE & Board	Board GMAC&S

Risk Identification	Probability	Impact	Risk Value	Risk Mitigation	Accountability	Responsibility
Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	4	2	Statement of Intent, Contract for Services, relationship plans where appropriate and regular meetings with key contacts at WCC such as The Mayor, Deputy Mayor, Portfolio leaders, Councillors, Chief Executive and ELT Presentations at relevant Committee meetings, inclusion of WCC partners at all events, regular reporting on Zoo-based activities, relationships developed between relevant officers across WCC and related Zoo portfolios managers.	CE & Board	CE Board
Animal Welfare compromised	-3	5	2	Through ZAA Accreditation the Zoo's animals' welfare state is evaluated. Husbandry Manuals which are regularly reviewed and updated so that all animal needs are met. Staff attending national and international conferences as part of development policies ensures their knowledge stays current. Governed by WZT Animal Welfare Committee.	CE & Board	Board GMAC&S
Project design, development and delivery risk	-3	5	2	Project Management Process as agreed with the Board, following procurement processes for engaging consultants and contractors, regular progress meetings to maintain projects on time and within budget, regular reporting the Board on capital and renewals projects	CE & Board	Board GMSAS
Utilities Infrastructure Loss and Failure	-1	3	2	Business Continuity Plan, WCC Business Continuity Plan. Minor Works programme ensure maintenance up to date. Connection to WCC systems where appropriate to utilise WCC back-up systems.	CE & Board	Board SMT
Inappropriate procurement processes followed	-3	4	1	Procurement Policy, Delegations Policy, Register of Interests, delegations for approvals, Board approval process for capital procurement and WCC signoff for Capital Procurement for major capital projects	CE & Board	Board CFO
Fraud and Theft	-2	3	1	CCTV at front entrance which is monitored weekly by SMT members and also monitored by Sales and Services Manager, Code of Conduct. Financial management procedures. Daily banking checks by Finance and Administration Advisor with written procedures for following up variances. Annual audit by Audit NZ. Pre-employment Criminal checks.	CE & Board	Board GMBP/CFO
Security Breach/Vandalism	-2	3	1	CCTV System and Security Alarms in all our buildings and where applicable in animal areas. Weekly perimeter checks. Maintenance of Perimeter Fence. Routine nightly security checks. After hours doors and security gate monitoring.	CE & Board	Board GMSAS

Wellington Zoo Trust Risk Matrix







Risk Analysis Scale

Risk Analysis Scale

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 with the Board.
-  All risks with a Risk Value of 3 or 4 shall have a mitigation plan so they can be managed by SMT.
-  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 and Accounting Policies included.

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 Board acknowledges the **\$3,494,475 in 2020-21 operational funding in the Long Term Plan.**

The Board acknowledges the **\$910,991 included in the Long Term Plan** for Zoo Asset **renewals** for 2020-21. However, we note that in the full cost of the Zoo measure calculated by WCC, depreciation for the Zoo asset is running at \$1.66m pa in 2020/21. This is considerably more than the renewals funding we receive. We discussed this issue with Officers during 2017-18 in time for LTP decisions; however a decision on this was deferred pending development of the detailed asset management plan. We believe that uplift in renewals would enable the Trust to better maintain the Zoo asset and would reduce the need for large capital investment in the coming 20 years (excluding the projects already indicated).

The Board acknowledges the **\$1,677,720 included in the Long Term Plan** for the Snow Leopard Project in 2020-21.

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

Not applicable.

g) **Other matters (if applicable), eg water supply services LGA requirements**

Not applicable.

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

Not applicable.

8. ACCOUNTING POLICIES

Reporting Entity

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

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

The Trust is reliant on the Wellington City Council (the Council) for the majority of its income and operates under a Contract for Services with the Council. The Contract for Services was re-negotiated to 30 June 2021. Ongoing funding for the Trust has been approved in the 2018/2028 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 PBE IPSAS.

Under this framework, the Trust is eligible to apply the reduced disclosure regime (Tier 2 entity) of the Public Benefit Entity Accounting Standards.

The reporting period for these financial statements is for the year ended 30 June 2019. The financial statements were authorised for issue by the Board of Trustees on 30 August 2019.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to PBE IPSAS and other applicable Financial Reporting Standards, as appropriate for Tier 2 public benefit entities.

Measurement Base

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

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated. As a result of rounding there may be slight discrepancies in subtotals.

Prior Year Comparatives

Certain prior year comparative figures have been restated for comparability purposes.

Standard issued and not yet effective and not early adopted

Financial instruments

In January 2017, the External Reporting Board issued PBE IFRS 9 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for financial years beginning or after 1 January 2021, with early adoption permitted. The main changes under the standard relevant to the Trust are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses.

The Trust plans to apply the new standard in preparing the 30 June 2022 financial statements and has not yet assessed the effects of this new standard.

Critical Accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. The Trust has assessed the financial records and there are no significant critical accounting estimates. 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 revenue 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 revenue when the conditions of the grant are satisfied.

Revenue

Revenue comprises revenue from operating activities, investment revenue, grants and donations and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Most of the services that the Trust provides for a fee are subsidised by grants therefore do not constitute an approximately equal exchange. Accordingly most of the Trust's revenue is categorised as non-exchange.

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 revenue. Such revenue is recognised when control over the asset is obtained.

Interest

Interest revenue 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 2007. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

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

Debtors and other receivables

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

Cash and cash equivalents

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

Investments

Term deposits are initially measured at the amount invested.

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 Revenue and Expense in the period in which the transaction occurs.

Depreciation

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

Plant

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

Furniture and Equipment

Composter	10 years
CCTV	3 years
Incubators	12.5 years

Work in Progress

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

Employee 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.

Short Term Employee Benefits

Holiday leave (annual leave 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.

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 terminate employment. 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.

Revenue in Advance

The Trust has received non-exchange funds for specific purposes with conditions that would require the return of the monies if the Trust is not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

The Trust has received non-exchange funds which apply to periods beyond the current year with conditions that would require the return of the monies if the Trust is not able to fulfil the obligation.

Contingent Assets and Liabilities

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

Animal Collection

In accordance with customary practice among Zoological organisations, animals are not recorded as there is no objective basis for establishing value. Additionally, animals have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status and breeding potential whereby it is impracticable to assign value. Expenditure related to animal acquisitions is expensed in the period of acquisition.

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 accumulated surpluses and deficits 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 revenue 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, key management personnel and the governing body (Trust Board).

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

Changes to Accounting Policies

There have been no changes in accounting policies this year.

9. FORECAST FINANCIAL STATEMENTS

COVID-19 impact budget

CCO: Wellington Zoo Trust		\$NZ000's						
COVID-19 Business Plan 2020/21								
Estimate	EARNINGS STATEMENT	Qtr to	Qtr to	Qtr to	Qtr to	Total YE	Total YE	Total YE
30-Jun-20		30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	30-Jun-21	30-Jun-22	30-Jun-23
	Revenue							
3076	Trading Income	312	836	989	775	2,912	4,608	4,758
3406	WCC Grants	874	874	873	874	3,495	3,596	3,700
666	Other Grants	38	21	22	21	102	84	84
211	Sponsorships and Donations-Operational	60	20	0	40	120	240	240
680	Sponsorships and Donations-Capital	0	0	0	0	0	-	0
26	Investment Income	3	2	3	2	10	30	30
336	Other Income	11	32	27	26	96	150	150
8,401	Total Revenue	1,298	1,785	1,914	1,738	6,735	8,708	8,962
	Expenditure							
6,131	Employee Costs	1,497	1,497	1,497	1,497	5,988	6,158	6,330
2,288	Other Operating Expenses	557	590	591	585	2,323	2,550	2,632
5	Depreciation					0	0	0
0	Interest	0	0	0	0	0	0	0
964	Vested Assets/Restricted Funds spend					0	0	0
9,388	Total Expenditure	2,054	2,087	2,088	2,082	8,311	8,708	8,962
(987)	Net Surplus/(Deficit) before Taxation	(756)	(302)	(174)	(344)	(1,576)	0	0
0	Taxation Expense					0	0	0
(703)	Operating Surplus (Deficit)	(756)	(302)	(174)	(344)	(1,576)	0	0
(987)	Net Surplus/(Deficit)	(756)	(302)	(174)	(344)	(1,576)	0	0
-8.4%	Operating Margin	-58.2%	-16.9%	-9.1%	-19.8%	-23.4%	0.0%	0.0%

Estimate 30-Jun-20	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-20	As at 31-Dec-20	As at 31-Mar-21	As at 30-Jun-21		As at 30-Jun-22	As at 30-Jun-23
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,322	Restricted Funds	1,322	1,322	1,322	1,322		1,322	1,322
(461)	Retained Earnings	(1,217)	(1,519)	(1,693)	(2,037)		(2,037)	(2,037)
861	Total Shareholder/Trust Funds	105	(197)	(371)	(715)		(715)	(715)
	Current Assets							
1,832	Cash and Bank	1,843	667	1,261	43		41	61
150	Accounts Receivable	150	150	150	150		150	150
102	Other Current Assets	100	100	100	100		100	100
2,084	Total Current Assets	2,093	917	1,511	293		291	311
	Investments							
0	Deposits on Call	0	0	0	0		0	0
0	Other Investments	0	0	0	0		0	0
0	Total Investments	0	0	0	0		0	0
	Non-Current Assets							
0	Fixed Assets	0	0	0	0		0	0
0	Other Non-current Assets	0	0	0	0		0	0
0	Total Non-current Assets	0	0	0	0		0	0
2,084	Total Assets	2,093	917	1,511	293		291	311
	Current Liabilities							
551	Accounts Payable and Accruals	550	400	600	550		500	500
	Provisions						0	0
672	Other Current Liabilities	1,438	714	1,282	458		506	526
1,223	Total Current Liabilities	1,988	1,114	1,882	1,008		1,006	1,026
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0		0	0
0	Loans - Other	0	0	0	0		0	0
0	Other Non-Current Liabilities	0	0	0	0		0	0
0	Total Non-Current Liabilities	0	0	0	0		0	0
861	Net Assets	105	(197)	(371)	(715)		(715)	(715)
1.7	Current Ratio	1.1	0.8	1	0.3		0	0.3
41.3%	Equity Ratio	5.0%	-21.5%	-24.6%	-244.0%		-245.7%	-229.9%

Estimate 30-Jun-20	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	Total YE 30-Jun-21	Total YE 30-Jun-22	Total YE 30-Jun-23
	<i>Cash provided from:</i>							
3,076	Trading Receipts	312	836	989	775	2,912	4,608	4,758
3,406	WCC Grants	1641	0	1641	0	3,282	3,596	3,700
666	Other Grants	38	21	22	21	102	82	82
891	Sponsorships and Donations	60	20	0	40	120	240	240
26	Investment Income	3	2	3	2	10	30	30
123	Other Income	11	32	27	26	96	150	150
8,188		2,065	911	2,682	864	6,522	8,706	8,960
	<i>Cash applied to:</i>							
6,131	Payments to Employees	1,497	1,497	1,497	1,497	5,988	6,158	6,330
3,124	Payments to Suppliers	557	590	591	585	2,323	2,550	2,610
	Net GST Cashflow					0	0	0
964	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
10,219		2,054	2,087	2,088	2,082	8,311	8,708	8,940
(2,031)	Total Operating Cash Flow	11	(1,176)	594	(1,218)	(1,789)	(2)	20
	Investing Cash Flow							
	<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
0	Other -vesting Cash for Capital Projects	0			0	0	0	0
0		0	0	0	0	0	0	0
0	Total Investing Cash Flow	0	0	0	0	0	0	0

Estimate 30-Jun-20	STATEMENT OF CASHFLOWS (CONT)	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	Total YE 30-Jun-21	Total YE 30-Jun-22	Total YE 30-Jun-23
	Financing Cash Flow							
	<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	Total Financing Cash Flow	0	0	0	0	0	0	0
(2,031)	Net Increase/(Decrease) in Cash Held	11	(1,176)	594	(1,218)	(1,789)	(2)	20
3,863	Opening Cash Equivalents	1,832	1,843	667	1,261	1,832	43	41
1,832	Closing Cash Equivalents	1,843	667	1,261	43	43	41	61

Estimate 30-Jun-20	CASH FLOW RECONCILIATION	Qtr to 30-Sep-20	Qtr to 31-Dec-20	Qtr to 31-Mar-21	Qtr to 30-Jun-21	Total YE 30-Jun-21	Total YE 30-Jun-22	Total YE 30-Jun-23
(987)	Operating Surplus/(Deficit) for the Year	(756)	(302)	(174)	(344)	(1,576)	0	0
	Add Non Cash Items							
5	Depreciation	0	0	0	0	0	0	0
(213)	Other (Restricted Funds movement)	0	0	0	0	0	0	0
(1,195)		(756)	(302)	(174)	(344)	(1,576)	0	0
	Movements in Working Capital							
(317)	(Increase)/Decrease in Receivables	0	0	0	0	0	0	0
10	(Increase)/Decrease in Other Current Assets	2	0	0	0	2	0	0
(8)	Increase/(Decrease) in Accounts Payable	(1)	(150)	200	(50)	(1)	(50)	0
(521)	Increase/(Decrease) in Other Current Liabilities	766	(724)	568	(824)	(214)	48	20
(836)		767	(874)	768	(874)	(213)	(2)	20
	Net Gain/(Loss) on Sale:							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
(2,031)	Net Cash Flow from Operations	11	(1,176)	594	(1,218)	(1,789)	(2)	20



Craig Ellison
Board Chair, Wellington Zoo Trust