

WELLINGTON

ZOO

Wellington Zoo Trust

Business Plan 2008-09



Seun, eighteen month old giraffe who arrived from Orana Park, Christchurch April 2008

Introduction

The Business Plan for 2008-09 will assist the Wellington Zoo Trust to clarify, focus and research the key developments and prospects for Wellington Zoo this financial year. It provides a logical framework within which to develop the business and pursue the six strategic elements set for the next three years. It also provides measures for actual performance against agreed outcomes.

Wellington Zoo is a unique business within Wellington, being the only zoo in the capital city. The Zoo is a well loved community asset and it is well supported by Wellingtonians and visitors to Wellington.

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

We predict that the business case forecasts presented to Wellington City Council in 2006 will be consistent with the expectations of the business in the coming year. These expectations are indicated in the measures against the strategic elements later in this document.

As fundraising is a key outcome for Wellington Zoo Trust, work will be undertaken to measure community understanding of the charitable trust status of the Zoo and to grow awareness of this in the community. The Trust is conscious of the operational gap which will continue to grow even as the facilities and product offering to the community improve. The Trust understands the ramifications of the operational grant projections from Wellington City Council and seeks to address the long term shortfall by employing a more commercial approach to the operation of the Zoo.

The Business Plan for 2008-09 addresses these issues and links strategy and operation to produce sound business outcomes. The Business Plan outlines the steps to making our dreams become reality by building a sound foundation of business revenues and resource allocation.

Index

1. Our Vision, Dream, Purpose, Commitments	7
2. Strategic Goals and Elements	8
3. Delivering the Strategic Elements	14
4. Structure	18
5. Risk Management	20
6. Financial Requirements	24

1. Our Vision, Dream, Purpose, Commitments

VISION

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

DREAM

To be absolutely, positively the best little zoo in the world

PURPOSE

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

COMMITMENTS

The Zoo is committed to:

- ⑥ Highest standards of animal care
- ⑥ Learning
- ⑥ Conservation
- ⑥ Fun
- ⑥ Creativity
- ⑥ Partnerships
- ⑥ Honesty

2. Strategic Goals and Elements

Wellington Zoo aims to fulfil the following strategic goals:

OUR ANIMALS' WELL BEING

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

CONSERVATION

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

LEARNING

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

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

- Create outstanding, intimate and unique visitor learning experiences

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

The construction of a new 21st century zoo will be challenging in regard to the impact on the visitor experience and visitor flow. The Zoo is planning to mitigate this issue during construction by creating other value added experiences for visitors.

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

- Make a leading contribution to conservation and research

Wellington Zoo is committed to conservation being the underpinning reason for being and will be a key stakeholder in collaborative conservation programmes within the zoo industry and within the conservation agencies of New Zealand. A New Zealand Species Management position will be jointly funded by Auckland Zoo, Hamilton Zoo and Wellington Zoo to build relationships with government conservation agencies in Wellington. Managed species programmes in this region ensure the sustainability of zoo collections and have emphasis on CITES one animals and endangered species.

Wellington Zoo will also implement a new Conservation Strategy to focus conservation effort on strategic projects. Wellington Zoo is able to take a leadership role in delivering the conservation message to the community by virtue of our visitation numbers and can provide a portal to the community for other agencies. Conservation messages have been established for all keeper talks in the Zoo and the effectiveness of these will be measured by the PhD study of the Manager Visitor Experience.

In-situ conservation programmes such as holding an Otago and Grand Skink insurance population in partnership with DoC will also form part of the Conservation Strategy implementation.

The Manager Visitor Experience is the regional zoo industry convenor of the Research Specialist Advisory Group and will coordinate research work across zoos in this region. The possum fertility project is a major research project for Wellington Zoo Trust in partnership with Victoria University. Wellington Zoo holds the research possums for the university and this research will be interpreted for zoo visitors to highlight the need for protection of New Zealand's fragile environment. This collaborative project is a first for zoos in this region and could produce ground breaking results.

The Manager Conservation and Veterinary Science continues to work in collaboration with agencies such as DoC and Landcare Research for conservation outcomes for New Zealand. The new Wellington Zoo Conservation Hospital will allow further work in this area and provide a facility for conservation outcomes on many levels. The strong Partnership with Massey University has allowed us to become a teaching and post-graduate research facility with study opportunities for resident veterinarians (in a three year Masterate Scholarship), veterinary and veterinary nursing students.

The Zoo also supports the Green Capital initiatives and has made significant advances to reduce its environmental footprint. This work will be clearly targeted in the Zoo's Conservation Strategy and the zoo will work towards contributing to Wellington's carbon neutrality.

- o Ensure financial sustainability

The Zoo will continue to review all commercial products and build a more commercial culture to ensure a sustainable business model. Wellington Zoo has been successful in obtaining grants and the ZCP should ensure this success continues. The Wellington Zoo Trust intent to facilitate appropriate timing of fundraising grants and other financial support for the ZCP is agreed in principle with Wellington City Council Officers. Wellington Zoo Trust staff will work with Wellington City Council Officers to establish protocols for the timing of Wellington Zoo Trust fundraising targets and how Wellington Zoo Trust fundraising achievements will align with Wellington City Council ZCP allocation of funds.

However, it is within a difficult environment that the Zoo will be operating especially as the ZCP, while providing a better future platform for visitor experience, addresses mainly health and safety and animal welfare legacy issues. The business case indicates an increase in visitation of 2% per year as a realistic projection of this situation.

The business case also articulates that while the Zoo will continue to grow the commercial outcomes in order to grow its contribution to the operating funding it does not indicate a dollar reduction on Council operating funding over the period of the ZCP. This is because it is imperative that as the Zoo develops its potential as a 21st century zoo the investment in the business will also need to grow and the Trust needs assurance in this area from its principal funder and owner of the asset.

The building of working capital is a prudent business measure that remedies an establishment problem. Also the long term visitation data illustrates the Zoo's vulnerability to bad weather and economic downturn, set against the Trust's ongoing responsibility for meeting an increasing share of (rising) operating costs.

The Trust is not driving "surpluses" in the sense of generating more income that we need to run the business. In fact, the Trust is choosing to forego much needed operational expenditure in areas such as staff development, marketing and learning in order to generate a surplus as a buffer against economic factors.

The second part of the Trust's strategy, built on the business case assurance that Council funding would be at least stable in dollar terms, would then be to raise our spend in key areas while sustaining a prudent working capital buffer. Once the Trust has addressed the gaps then it would then be in a position to further step up percentage operating contribution. At the time of establishment the operating funding to the Trust was not appropriate for 21st century zoo outcomes such as retaining skilled staff in a small talent pool of technical skills, visitor

experience connected to conservation messages and market research for targeted investment to name a few.

The Trust is managing to grow revenues that slowly allow us to reduce our percentage reliance on Council funding and remedy some of these gaps. By reallocation the Trust has put more resources in the areas that drive real benefits from the capital investments. But we still have a long way to go. Even with reallocation, there is still a gap between current opex, and the opex that would support the scale and level of activities/ resources/ people appropriate to a credible, modern facility, such as:

- providing sufficient training for a young and inexperienced keeping team so that we manage risks to people and animals
- enough investment in conservation and research work so that we can meet modern zoo expectations
- enough investment in collection management that we can assure the zoo's long term future
- enough investment in fundraising that we can tap the opportunities to secure external funding into the future.

The Trust does not take its responsibility of financial sustainability lightly and success over the life of the Trust indicates that the Trust will make every effort to ensure this outcome.

- Build lasting community support and participation

Wellington Zoo aims to be 'absolutely positively, the best little zoo in the world' and to date has immense community support. As a community asset Wellington Zoo will implement a fundraising programme to capture this support from the community and the Zoo will also develop partnerships within the community.

Wellington Zoo will increase members in Zoo Crew over the next year as well as in the volunteer programme both individual and corporate. These groups within the community become advocates for the Zoo and strong supporters.

- Show industry leadership

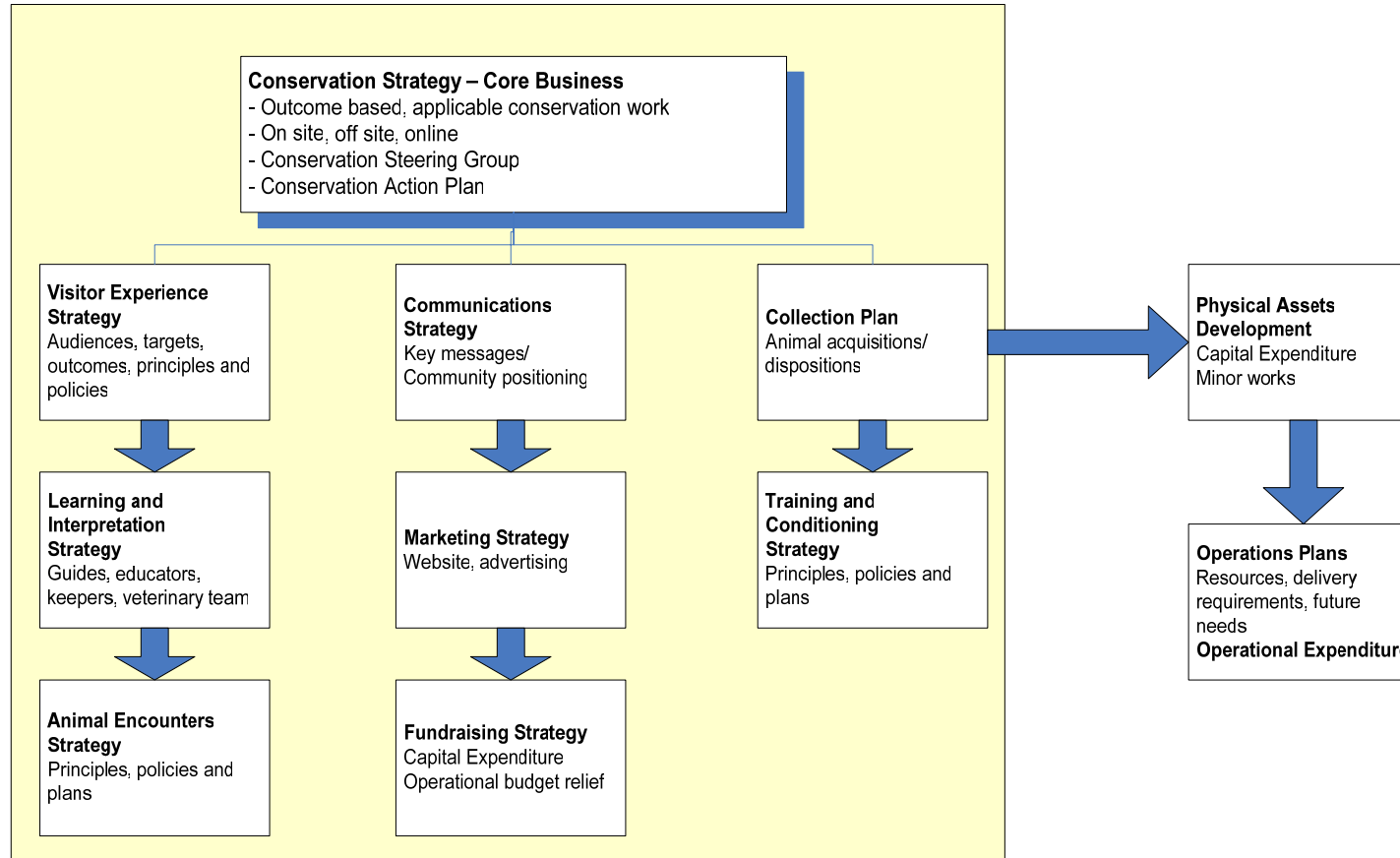
Wellington Zoo plays a key role in Australasia as one of the four major zoos in New Zealand. Wellington Zoo is New Zealand's first zoo and its location in the capital city requires it be an industry leader for New Zealand zoos. The Zoo is responsible for population management within the collection for managed regional species and has a number of staff who hold regional zoo industry positions including the Chief Executive who is a member of the Regional Zoo Industry Board. As a conservation agency, the Zoo is able to play a vital role in assisting the community to take positive action for the environment. The Environmental Management System has been successful in reducing the environmental footprint of the Zoo and environmental practices in the new construction will further enhance this result and make environmental action more visible to visitors.

- Ensure all staff add value and are valued

Wellington Zoo has been successful in attracting talented staff and the development of staff is a key strategic imperative. The management of the redevelopment programme, and fundraising to support the ZCP will place added burdens on existing staff over the coming year. One of the key areas for improvement at the Zoo is focus on our people, hence this strategic element. Zoo expertise is found in a small pool of people across the world and it is imperative to the success of Wellington Zoo to have skilled and motivated staff. Staff attraction, development and retention are key areas for the Trust this year. The Trust undertook a job sizing exercise in 2008 to ensure appropriate salary structures are in place for our staff. The Trust recognises that investment in this strategic element is not to the ideal level required and this needs to be addressed.

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

Zoo Strategy Flow Chart



3. Delivering the Strategic Elements

Wellington Zoo Strategy Framework 2008-09

Critical Success Factors- the Six Strategic Elements

Boutique, integrated, dynamic, intimate visitor learning experience
 Financial sustainability
 Effective roll out of capital program
 Skilled and motivated staff
 Leadership in conservation outcomes
 Community support and involvement

Goals	Strategies	Actions	Measures
Outstanding, intimate and unique visitor experiences	<ul style="list-style-type: none"> ▪ Provide innovative and interactive experiences which are message driven ▪ Present animals in intimate and up close ways ▪ Provide quality management and care of the collection – animal and botanic ▪ Provide quality visitor amenities and more wet weather facilities 	<ul style="list-style-type: none"> ▪ ZCP -Hospital, Meet the Locals, Monkey Islands ▪ Minor works- recycle stations, Living Room, visitor parking, visitor amenities ▪ Implement the VE strategy ▪ Develop market research tools to assess visitor satisfaction ▪ make learning an intrinsic feature of the visitor experience 	<ul style="list-style-type: none"> ▪ Projects delivered on time on budget; Hospital built within 10-15 months ▪ Collection Plan developed by September 08 ▪ >2 projects to assess visitor learning ▪ >97% teachers rating learning programs as meeting objectives ▪ >14,700 school children visit
Lead or participate in conservation and research programmes	<ul style="list-style-type: none"> ▪ Develop strategic and effective scientific and community conservation programmes ▪ Integrate conservation and research with animal management and visitor programmes 	<ul style="list-style-type: none"> ▪ Implement the Conservation Strategy ▪ Develop framework for integrating veterinary and animal mgt with conservation /research activities ▪ Integrate the collection with conservation programmes ▪ Develop effective methods for measuring visitor support for conservation ▪ Contribute to DoC programs and other 	<ul style="list-style-type: none"> ▪ >38% collection linked to ASMP ▪ Participation in two conservation programmes

		<p>strategic partner programs</p> <ul style="list-style-type: none"> ▪ Contribute to regional collection planning and other regional programs ▪ Build the EMS and sustainability culture at Wellington Zoo 	
Financial sustainability	<ul style="list-style-type: none"> ▪ Develop a commercial culture and a sustainable business model ▪ Secure WCC support ▪ Increase visitation and visitor spend, commercial opportunities and return ▪ Secure grants as appropriate ▪ Fundraise for organisational needs ▪ Identify and manage business risks 	<ul style="list-style-type: none"> ▪ Develop commercial products and implement changes to improve ROI ▪ Redevelop website for ecommerce opportunities ▪ Develop promotional campaigns to increase sales, eg admissions and commercial products ▪ Implement the catering contract ▪ Drive increased returns from commercial operations ▪ Continue to develop the fundraising program, including the capital campaign, operational fundraising, ambassador program ▪ Create and implement Marketing, Fundraising, Communications and Retail Strategies and Pricing Guidelines for the business ▪ Review business risk matrix ▪ Secure LEOTC contract 	<ul style="list-style-type: none"> ▪ 5 in 5 Fundraising targets reached or exceeded ▪ Average retail income per visitor >\$8.60 ▪ Increase Total Visitor numbers by 2% (180,560 visitors) ▪ 3,000 Zoo Crew memberships by June 09 ▪ LEOTC Contract secured ▪ Ratio of WZT generated income as 79% of WCC grant total ▪ Average income per visitor (excluding WCC grant and CAPEX spend) target of \$11.71 ▪ Average WCC subsidy per visitor target of \$14.88
Lasting community support and participation	<ul style="list-style-type: none"> ▪ Position the zoo as a reflection of our boutique city ▪ Raise the profile of the zoo and its activities 	<ul style="list-style-type: none"> ▪ Manage the effectiveness of partnerships to extend our conservation, research, learning and community engagement outcomes for mutual benefit 	<ul style="list-style-type: none"> ▪ >6 partnerships formed with MOUs ▪ # volunteer hours for >5 FTE ▪ >49% Wellingtonians visiting the zoo

	<ul style="list-style-type: none"> ▪ Develop strategic partnerships and support and implement MOUs or other written agreements ▪ Develop an effective and diverse volunteer programme 	<ul style="list-style-type: none"> ▪ Review the volunteer programme and assess future direction ▪ Grow volunteer programme ▪ Build relationship with strategic partners e.g. Saatchi, PWT, WCC 	<ul style="list-style-type: none"> ▪ Communication Plan developed ▪ Fundraising targets are reached
Valued and motivated Staff	<ul style="list-style-type: none"> ▪ Harness staff passion and skills ▪ Ensure H&S is recognised and championed by all staff 	<ul style="list-style-type: none"> ▪ Training – project mgt, performance mgt., H&S, customer service, animal care and management, conferences, travel, committees ▪ Maintain an effective performance management system linked to organisational goals ▪ Develop Leadership and Talent Management programmes for retention/attraction of key positions ▪ Implement outcomes from the Staff Survey workshops 	<ul style="list-style-type: none"> ▪ All staff have PDP review Sept 08 ▪ Staff Survey conducted Oct 08 ▪ <15% staff turnover
Industry leadership	<ul style="list-style-type: none"> ▪ Focus on industry issues and emerging opportunities ▪ Support ARAZPA programmes ▪ Provide knowledge, expertise and leadership on wildlife care, conservation and learning <p>Build the international reputation of the Zoo</p>	<ul style="list-style-type: none"> ▪ Represent WZ on ARAZPA committees eg TAGs, SAGs ▪ Contribute to the development of ZIMS ▪ Contribute to professionalism of the ASMP 	<ul style="list-style-type: none"> ▪ > 5 staff involved with ARAZPA Committees or positions

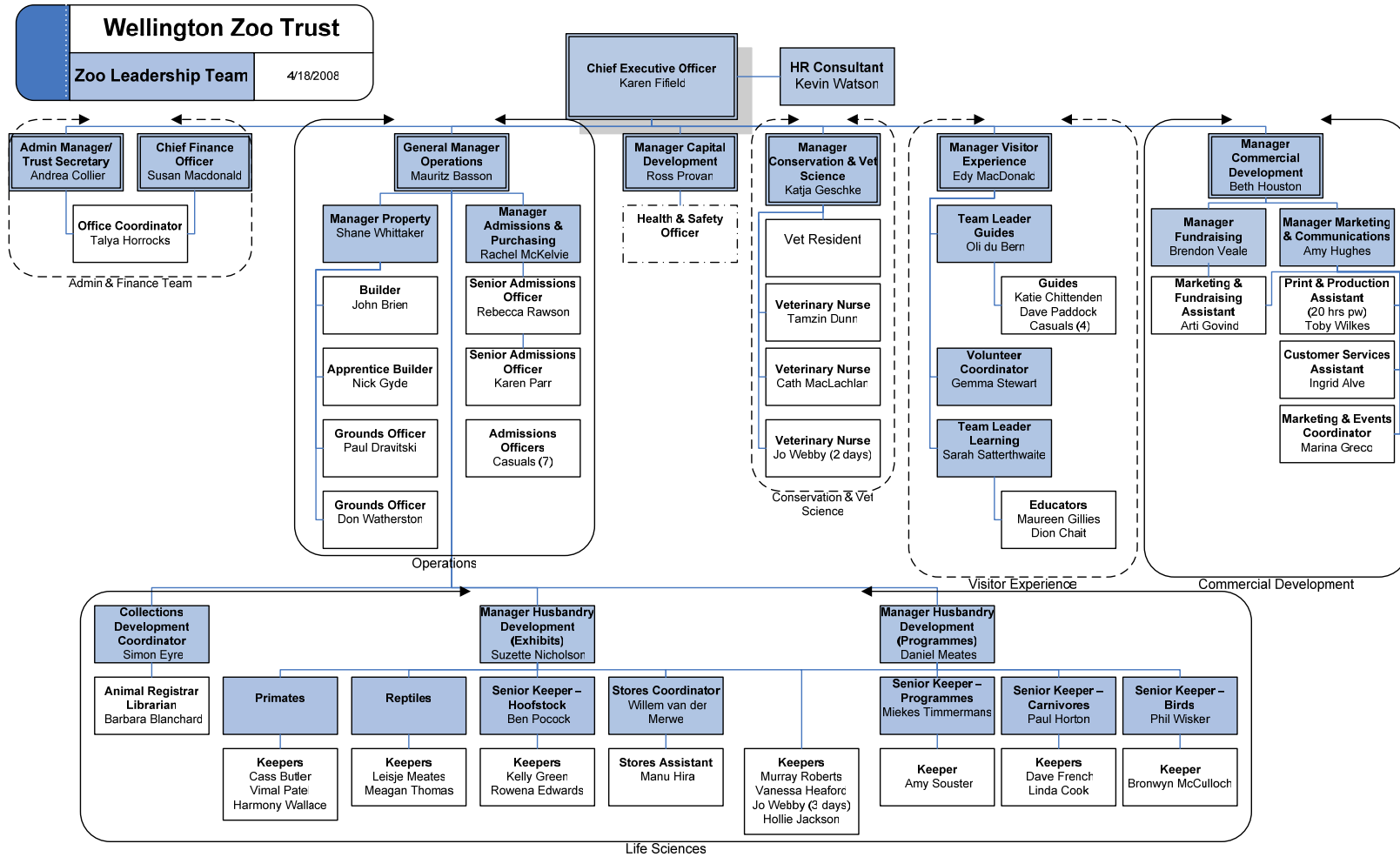
Each team will develop actions which support the Six Strategic Elements within their area of the business. Each action will align with the higher level business outcomes outlined in this document.

4. Structure

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

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

Comment [g1]:



5. Risk Management

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


Risk Analysis & Mitigation Plan for Wellington Zoo Trust


Risk No	Areas of Risk	Risk Identification	Probability	Impact	Risk Value	Impact	\$ Value of Risk	Risk Treatment
1	Financial, H & S, Operational, Collection, Visitation	Natural Disasters causing destruction and infrastructure failure	-2	7	5			Continue developing contingency plan. Civil Defence kit kept on site and maintained.
2	Financial, H & S, Operational, Collection, Visitation	Loss of business due to weather	0	5	5			Improve infrastructure via ZCP and incorporate shelter from weather into new developments.
3	Financial, H & S, Operational, Visitation, Fundraising, ZCP	Attraction and Retention of Key Staff	-1	6	5			Succession planning, staff development, Recruitment and Induction Policies.
4	Financial, H & S, Visitation, ZCP	ZCP Fundraising Targets Not Reached	-1	6	5		\$716K:07/08 Financial Year	Projects on hold, relationship building
5	Financial, H & S, Operational, Visitation, Reputational Fund Raising, ZCP	Significant site accident	-2	7	5			Health & Safety Management System
6	Financial, Operational, Reputational Visitation, Fundraising, ZCP	Reputation Falters	-2	6	4			Code of Conduct and Risk Management Policy
7	Financial, H & S, Operational, Collection, Visitation	Major spread of contagious disease	-3	7	4			Avian influenza contingency plan, screening policy, MAF Guidelines, Erma policies
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
9	Financial, Visitation, Reputational Fundraising	Bad Press	-1	5	4			Risk Management Policy
10	Financial, H & S, Operational, Collection	Security Breach / Vandalism	-1	5	4			CCTV System, Security Alarms, Maintenance of Perimeter Fence
11	Financial, Reputational Visitation, Fundraising	Loss of Business Due to Competition / Economic Downturn	-1	4	3			Business Plan, Strategic Plan
12	Financial, Operational, Reputational Visitation, Fundraising, ZCP, Collection, H & S	Key Staff Fail to Deliver on Strategic Direction and Business Outcomes	-2	5	3			Performance Management Process
13	Financial, Operational, Visitation, Fundraising, ZCP, Collection, H & S	IT and Utilities Infrastructure Loss and Failure	-3	6	3			Emergency Procedures Manual, Zoo Manual
14	Financial, Reputational Visitation, Fundraising	Breach of Ethics, Policies, Regulations and Values	-3	6	3			Code of Conduct


Score	Probability that the Event will Occur
1	Almost Certain and / or could occur frequently
0	Very likely to occur and / or could occur more than once
-1	Moderately likely to occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Very unlikely to occur


Score	Level of Impact of the Event Occurring
7	Catastrophic Damage value greater than 50% of the project value, or Major delay to the project completion, or Major impact on this and other business opportunities
6	Very High Impact Damage value about 20% - 50% of the project value, or Significant delay to project completion, or Significant impact on this and other business opportunities
5	Major Damage value about 5% - 20% of the project value, or Project completion affected, or Some impact on this or other business opportunities
4	Minor Damage value less than 5% of the project value, or Project completion not impacted (although a phase of the project may be), or This business opportunity could be impacted
3	Negligible Damage value covered by contingency, any delays barely noticeable and client unaffected
2	Minimal

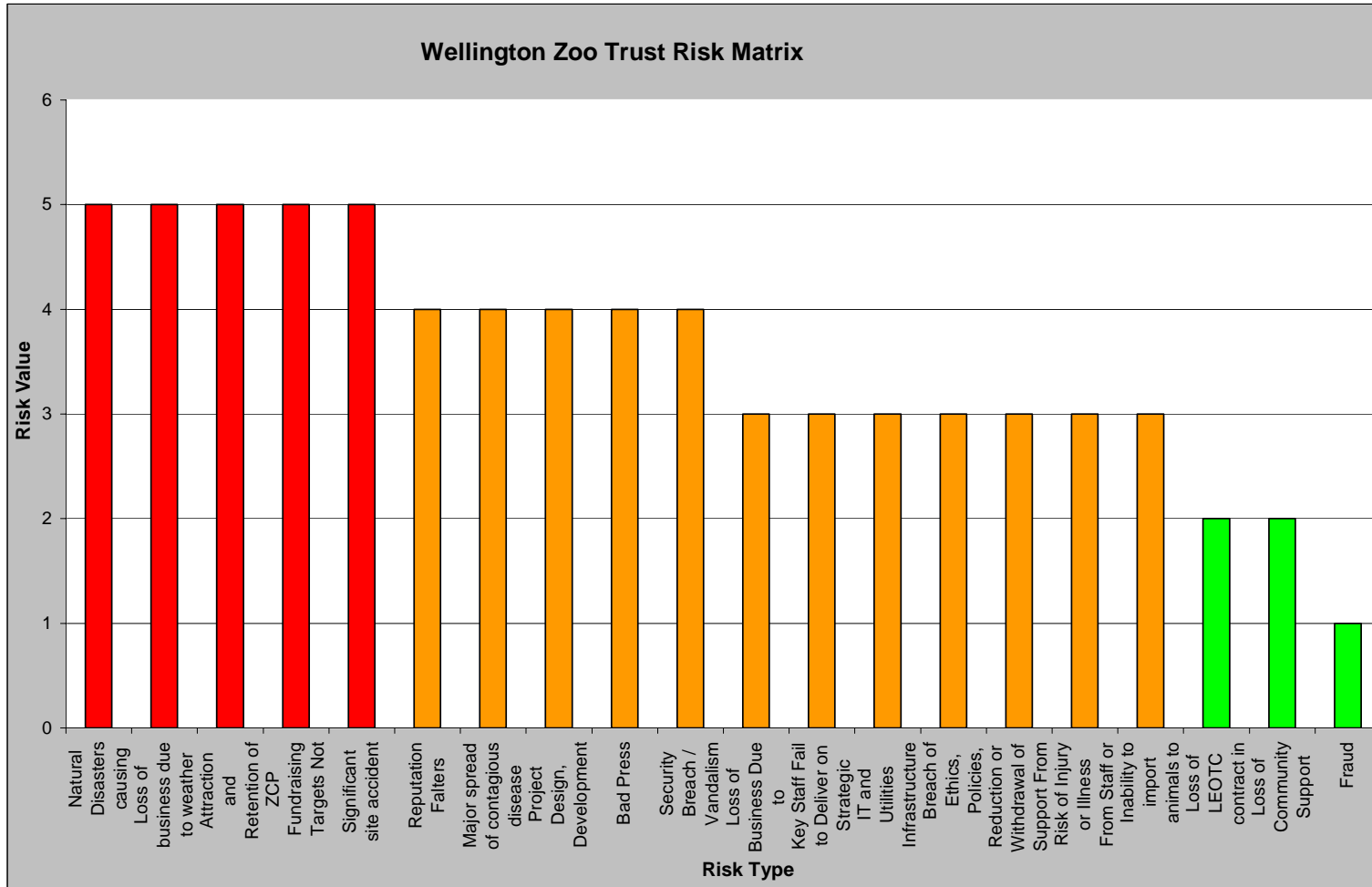
These two scores are added together to give a "Risk Value". This will be in the range zero to eight.

 All risks with a Risk Value of 5 - 8 must have a mitigation plan developed and agreed by all parties to the project. This level of risk will probably require some immediate special action or special planning dedicated to reducing the particular risk. A contingency plan should also be developed.

 All risks with a Risk Value of 3 or 4 shall have a mitigation plan so they can be managed.

 All risks with a Risk Value of 0 - 2 can just be recorded and accepted as such until such time as they produce a higher score.

 Any risk that has a Probability Value of one (1) or an Impact Value of five (5) or more must still have a mitigation plan even if the overall Risk Value is less than five.



6. Financial Requirements

The Trust's operating and capital budgets for 2008/09 to deliver this Plan are detailed below.



DRAFT BUDGET 08/09	Budget 07/08		Draft Budget 08/09		
	\$'s	%	\$'s	% Increase on 07/08	%
INCOME					
<i>Visitor Revenue</i>	1,742,305	38.0%	1,842,066	5.7%	38.4%
<i>Interest</i>	24,000	0.5%	28,000	16.7%	0.6%
<i>Café Income</i>	60,000	1.3%	100,000	66.7%	2.1%
<i>MOE LEOTC Contract</i>	75,555	1.6%	75,555	0.0%	1.6%
<i>WCC Operating Grant</i>	2,687,500	58.6%	2,687,500	0.0%	56.0%
<i>Other Grant and Subsidy Income</i>	0	0.0%	68,924	-	1.4%
Total Operating Income	4,589,360	100%	4,802,045	4.6%	100%
<i>Capital Sponsorship and Donations</i>	716,250		569,150		-
Total Income	5,305,610		5,371,195		
EXPENSES					
Total Personnel Expenses	3,024,378	64.8%	3,211,545	6.2%	65.6%
General Operating Expenses					
<i>Marketing Costs</i>	279,000	7.2%	280,500	0.5%	5.7%
<i>Administration Costs</i>	161,500	4.2%	159,500	-1.2%	3.3%
<i>Animal Acquisition Costs</i>	40,000	1.0%	40,000	0.0%	0.8%
<i>Travel & Accommodation</i>	40,000	1.0%	40,000	0.0%	0.8%
<i>Telephone Tolls</i>	26,500	0.7%	26,500	0.0%	0.5%
<i>Professional Costs</i>	78,000	2.0%	97,500	25.0%	2.0%
<i>IT Costs</i>	1,600	0.0%	1,600	0.0%	0.0%
<i>Utility Costs</i>	248,000	6.4%	249,900	0.8%	5.1%
<i>Vehicle & Plant Costs</i>	14,040	0.4%	17,200	22.5%	0.4%
<i>Contracts, Services & Material</i>	725,000	18.8%	738,050	1.8%	15.1%
<i>Depreciatn & Loss/Gain on Sale</i>	32,000	0.8%	32,000	0.0%	0.7%
Total General Expenses	1,645,640	35%	1,682,750	2.3%	34.4%
TOTAL EXPENSES	4,670,018	100%	4,894,295		100%
<i>Recovery of Labour Charges</i>	(90,000)		(92,250)	2.5%	
TOTAL OPERATING SURPLUS/(DEFICIT)	9,342		0		
<i>Vested Asset Expenditure</i>	716,250		569,150		
TOTAL SURPLUS/(DEFICIT)*	9,342		0		

Trust capital budget for 2008/09

CX340 New Capital Projects

\$1,847,000

The majority of the CX340 capital spend will be on the construction of the Wellington Zoo Conservation Hospital and planning for Meet the Locals.

CX125 Existing Asset Renewals Budget

Work in 2008/2009 includes the following types of renewals:

Category	2008/2009
AV Equipment	\$18,500
Fencing	\$11,500
Hospital Equipment	\$14,500
Learning Equipment/Signs	\$10,000
Office Equipment & Chattels	\$17,000
Security	\$3,000
Service Area Refurbishments (H & S)	\$5,000
Water Reticulation & Storage Tanks	\$20,000
Workshop Equipment	\$6,000
Property Asset Renewals	\$42,050
Vehicles/Golf Carts	\$30,000
Total	\$177,550