

May 18th, 2008

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

Dear James

RE: Statement of Intent (SOI) 2008/09

Thank you for your letter of May 9th, 2008 regarding the development of the Wellington Zoo Trust's Statement of Intent for 2008/09. The Trust is keen to work with Council to deliver the very best outcomes for our city.

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

However, we have continuing concern about the suggestion that once the Trust has built up working capital, the Zoo should expect a decrease in the dollar value of Council operating funding. It is important that the Sub Committee understands both the history and current state of Zoo operating finances, and therefore the context for our concerns.

First, the Trust's aim to produce small surpluses over the next two to three years is not an indication that the Zoo can manage its operations sustainably with a lower dollar amount of operational grant funding from Council.

As you are aware, the Trust was established with no working capital. The current approach to address the negative equity situation and build working capital is simply to ensure that the Zoo, as a responsible and prudent entity, has a reasonable ability to cope with changes in its operating climate, including bad weather impacts.

The ongoing stability of Council funding over the Business Case period is critical to the Zoo being able to address these challenges.

It is our belief that the Business Case for the Zoo Capital Programme (ZCP) indicates an ongoing level of operating funding from Council set at the 2006/07 rate of \$2.687m. This already amounts to a year on year decrease in real terms as it does not include adjustment for inflation.

We believe that to make the most of the new developments we will require, at least, the same dollar level of support from Council as, at the same time, we grow our contribution to the operating funding required for the Zoo for the long term.

We have also addressed the ZCP measures as requested in your letter after discussion with Wellington City Council Officers.

Thank you for holding your last Council Controlled Operations (CCOPS) meeting at the Zoo. We appreciate the time the Subcommittee took to see the improvements at the Zoo. We cordially invite any members of the Subcommittee to visit the Zoo in the future at any time to have a more thorough discussion about the plans for the Zoo. Please do not hesitate to contact me or Karen Fifield should any member wish to do so.

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

Yours sincerely



Denise Church
Chair
Wellington Zoo Trust