

WELLINGTON ZOO TRUST

REVIEW OF 2007/08 ANNUAL REPORT

The Zoo presents its Annual Report including unqualified audited financial statements.

Highlights for the year

- Record-breaking visitor numbers for the year of 182,540
- The birth of Beni the chimp and Sir Ed the red panda, both part of international breeding programmes
- The Zoo achieved an operating surplus for the year of \$204k, and in just over two and a half years has successfully raised \$2.3 million in sponsorship for the Zoo Capital Plan (ZCP)
- Completion of the African Savannah, Chimps Enclosure and the Wild Theatre.

Performance

1. Financial

A review of the Zoo's financial statements highlights the following points:

- A reported surplus of \$644k equates to an operating surplus of \$204k after eliminating external sponsorship received by the Zoo to be spent on ZCP projects
- The operating surplus, which has considerably strengthened the Zoo's reserves position (the negative equity has been completely removed), was largely derived through savings, unbudgeted operational grants and events income, and interest on its external sponsorship donations
- The strong cash position of the Zoo reflects its achievement of ZCP funding targets to date – during the year the Zoo raised sponsorship of \$840k
- The contract for the hospital construction was 30% over budget, due to increases in construction industry costs. The construction is being spread more evenly over two financial years (2008/09 and 2009/10) to facilitate the excess cost within existing LTCCP budgets.

Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2006/07 Actual
Income	5,278	5,180	5,028
Expenditure	4,634	5,067	5,253
Surplus	644	18	(225)

Operating surplus	204	-	109
-------------------	-----	---	-----

Statement of Financial Position

\$ '000	FY Actual	FY Budget	2006/07 Actual
Current assets	1,721	72	1,712
Non current assets	129	75	72
Current liabilities	861	281	1,421
Non current liabilities	39	-	57
Equity	950	(134)	306
Current ratio	2 : 1	0.3 : 1	1.2 : 1
Equity ratio	51%	-91%	17%

Statement of Cash Flows

\$ '000	FY Actual	FY Budget	2006/07 Actual
Operating	76	(33)	570
Investing	(71)	-	(21)
Financing	-	-	-
Net	5	(33)	549
Closing balance	1,419	(53)	1,414

Note: the Trust's financial statements have been prepared using NZ.

2. KPIs

A full report of the 2007/08 KPIs for the year is given below, showing that 24 out of 29 targets were reached and/or exceeded. Most notable of the KPIs achieved were 182,540 visitors (target 176,980), participation in 9 conservation projects (target > 2) and visitor satisfaction 96% (target 90%).

The KPIs not achieved largely relate to staffing issues, such as satisfaction, turnover and training which, whilst most likely impacted by the restructure undertaken during the year, will continue to be monitored by officers.

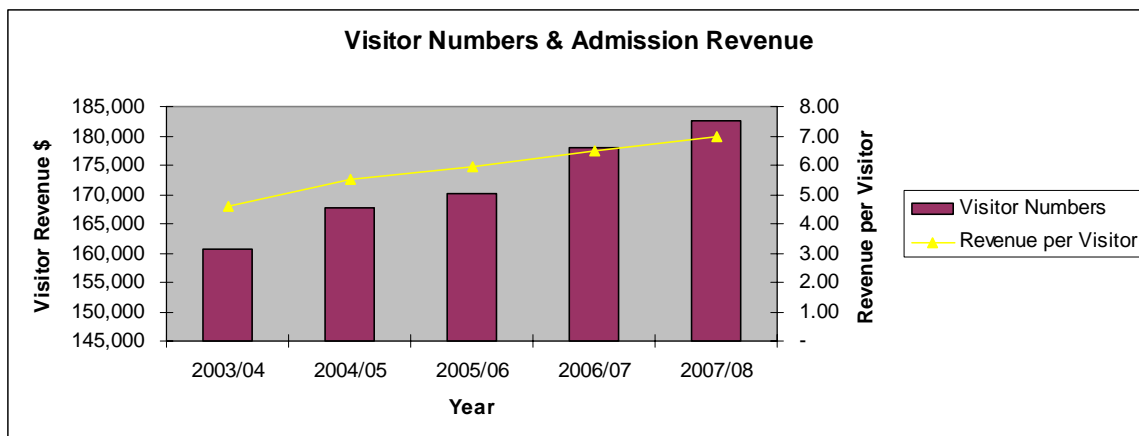
Statement of Intent Key Performance Indicators

For the year ended 30 June 2008

A Statement of Intent was prepared for 2007/08. The Statement of Intent was delivered to Wellington City Council on 1 March 2007 and approved by them on 14 June 2007 including the following performance indicators.

Measure	Target 2007/08	Result 2007/08	
City Outcome Measures			
Conservation/Environment			
Conservation Programme Managed Species (% total of collection)	<38%	42%	The Zoo continues to work closely with Australasian regional zoos to manage genetically sustainable populations of a range of native and exotic species
Animal Collection plan developed	Sep-07	Completed in April 08	Collection planning criteria assessed and agreed; applied to current WZT animal collection; will be used to assess future collection acquisitions
Participation in conservation projects	<2	9	Otago Skinks Recovery Programme; Kaka breed and release. Field Support for DOC sea lion project, Veterinary support for DOC and rehabbers in Wellington, Bush Builders, Kereru Discovery Project, Possum research, Vector-host study with Landcare Research and Tuatara release with DOC and Victoria University.
% of animal collection used in contact with visitors	<5%	5.5%	Suitable animals for contact identified and conditioned. Current contact animals are: Shingleback, Blue Tongue Skink, Bearded Dragon, Tortoise, Sulphur Crested Cockatoo and Chinchilla.
Conservation strategy developed and implemented	Oct-07	Developed and implemented June 08	Strategy developed and distributed to stakeholders; Conservation Steering Group established to implement the strategy
Reduction of ecological footprint	>5% reduction on baseline 2005/06 year volumes will form baseline		Water usage reduced by 21.8% on 2005/06 volumes. Unable to measure baseline movements for electricity and solid waste
Education/economic development			
School Learning outcomes - effectiveness	>97% teachers agree learning was effective	100% teachers agree learning was effective	
Number of school visits (students)	14,700	14,906	This is 1.3% above the previous year's result (14,714 students) and 1.4% above this year's target. Satisfaction surveys completed by teachers associated with these groups report 100% met or exceeded the learning outcomes aimed for.
Social and Recreation			
Number of Visitors per year	176,980	182,540	This is an increase of 2.5% on the previous year's result (178,053) and exceeds our annual target (176,980) by 3.1%. Almost half of Wellingtonians surveyed by the Council reported visiting the Zoo during the year.
% Visitor Satisfaction rating	90%	96%	
Wellingtonians visiting the Zoo (WCC Residents' Satisfaction Survey)	>49%	49%	

Measure	Target 2007/08	Result 2007/08	
Partnerships to improve visitor learning	>2	2	
CAPEX projects			
Projects delivered on time and on budget	2	2	
Community Support			
Volunteer Hours (FTE)	>5 FTE	2.8 FTE	The realignment created a full time volunteer coordinator in September. The position reviewed the current recruitment and training of volunteers which meant the measure was not achieved.
Partnerships formed with written MOUs	<6	9	Saatchi and Saatchi, Department of Conservation, Massey University, Victoria University of Wellington, Arataki Honey, Ministry of Education, Museum of New Zealand-Te Papa, Radio Network
Zoo staff			
Staff turnover (permanent staff)	<15%	24%	The realignment disestablished some positions which created more turnover than expected. This combined with 'normal' staff turnover has meant this target was not met
% Staff satisfaction from Annual Staff Survey	>70%	62%	Staff satisfaction target was not met due to the realignment process occurring this year.
Performance Development Plan aligned to organisational goals	100%	100%	New process implemented in August 0
Implementation of staff survey outcomes	<60%	62.5%	
Training objectives met	80%	58%	Where positions were retained in the realignment the PDP targets for training were mostly met. However some new positions and some PDP requests were unable to be met due to timing or budgetary constraints.
Industry leadership positions held	>5	11	
Financial			
Average WCC Subsidy per Customer	\$15.19	\$14.72	
Average retail income per retail Customer	\$9.00	\$8.19	
Average income per Visitor	10.42	\$11.78	
Ratio of Trust generated income as % of WCC grant	69%	80%	
Fundraising targets met for Zoo Capital Plan	\$716,250	\$840,389	
Catering License return on turnover increased	10%	44%	
Commercial product revenue increased	>5%	6%	
Zoo Crew memberships-annual pass holders	>2,000	2,033	



A notable feature of the analysis of the Zoo's 2007/08 KPIs is the continued increase in visitor numbers, above both target and previous years, combined with the continued increase in revenue per visitor.

3. Operations

Highlights included the delivery of a range of conservation initiatives, including extensive use of sustainable practices on site, finalisation of the Conservation Strategy, recovery of endangered tuatara and skinks and a range of project partnerships with DOC, Victoria University, Landcare Research and the community.

A number of new animals arrived at the Zoo during the year, in addition to the births of Beni the chimp and Sir Ed the red panda. They included guinea fowl, blackbuck, a female kiwi for breeding, kereru, owls and kea. The biggest arrival during the year was that of Seun the giraffe, unfortunately a consequence of the death of 20 year-old Ricky, days after the move into the new African Savannah.

During the year, the Zoo undertook a major staff restructure to better align the organisation with the Zoo's six strategic elements. This resulted in the creation of some new management positions, the disestablishment of other positions and a number of severances. The restructure contributed to the underspend against budgeted personnel costs and also highlighted the scarcity of skilled staff in some positions, notably keepers.

The main ZCP project during the year was the completion of the Wild Theatre, on time and on budget. In addition, a number of smaller projects were completed, such as the revamp of the Twilight House, and planning continued on the next major project, the Nest (Animal Hospital) on which construction started in September.

A significant operational benefit, not apparent from the financial statements, is the range of operational donations received by the Zoo, including diagnostic services from Pacific Radiology, a significant amount of pro bono work from Saatchi & Saatchi, free advertising space from the Dominion Post and other significant contributions from Arataki Honey, Go Wellington, Classic Hits and Tip Top ice cream.

Another factor in the Zoo's strong operational performance was the 5,835 volunteer hours worked during the year which, whilst less than in previous years, is still a significant contribution.

The third quarter saw Spotless Services take over the Zoo's café operations, with a seamless transition and increased revenue options including contributions to the refurbishment of other function space within the Zoo.

4. Governance

The Trustees during the year were:

Denise Church (Chair)
Philip Meyer
Frances Russell
Lee Parkinson
Celia Wade-Brown
Ross Martin (appointed 1 July 2007)

5. Key issues going forward

The 2008/09 year should see substantial construction of the new animal hospital, and developed design of the next big project, 'Meet the Locals'. In between, to maintain the momentum of the ZCP, a number of smaller projects will be completed, including the power supply upgrade and the African Unity project.

During the year, the Zoo confirmed anecdotal evidence that they are not widely perceived to be a charitable trust, which has a major impact on their ability to fund-raise. In 2008/09 the Zoo will launch a campaign to raise awareness in the community, and garner support and encourage people to donate.

As a result of the hospital construction going over budget, the Zoo Trust is revising the ZCP scope and programming to ensure that the overall cost remains within the original budget of \$20.8 million.

The Trust achieved another large operating surplus, strengthening their reserves and completely eradicating the negative equity. In accordance with the ZCP, both the Council and the Zoo are aiming to reduce the Zoo's financial dependence on Council funding, without adversely impeding the Zoo's operations.

6. Conclusion

2007/08 has been a very positive year for the Zoo with a significant increase in project momentum and visitation. The Zoo will look to build on this in the coming year.