

Statement of Intent and Business Plan 2016-17 Wellington Zoo Trust

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



Meet the Locals He Tuku Aroha – our New Zealand experience opened October 2015

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1. Introduction

Wellington Zoo is 110 years young in 2016. As New Zealand's first Zoo and that of the capital city we are committed to ensuring that our strategic aims are based in excellence and engender a sense of pride in their Zoo from our community. We are a social enterprise which exists to create community good and to solve important social and environmental problems – people disconnected from nature in an urbanised world and the loss of species worldwide. We operate to fulfil our 'why' to ignite a Zoo revolution through leading the way in connecting people and animals and saving animals in the wild by having our community love and support their Zoo. We have local and global influence as behaviour change agents for the environment and as a conservation agency with sustainability at its heart.

Wellington Zoo contributes to the vibrancy and forward thinking of our city through employment of Wellingtonians, working with Wellington suppliers and other Wellington organisations in partnerships driven by outcomes and provision of quality visitor experiences for our local and international community. The Zoo aims to be a reflection of our city and contribute to the thriving cultural and natural heritage of Wellington as an accessible and liveable city. The Zoo generates additional liveability for our citizens and the economic benefit generated reflects the Economic Strategy of the Council for Wellington.

We have consistently met or outperformed almost all of our performance targets in the last nine years. Since the beginning of the Zoo Capital Plan (ZCP) investment in 2006 our visitation has **increased 34.7% on the base 2004-05 figures**. We have also increased our contribution to the operating costs of the Zoo from 37% to 59% in that time.

In the 2015/25 LTP no new Zoo CAPEX submissions were approved for inclusion. **However we have outlined CAPEX priorities for the Zoo over the next ten years later in the SOI as per the Letter of Expectation. We understand that this proposed programme is subject to future Annual and Long Term Plan budget bids and analysis.**

Included in this SOI is a summary of the ZCP objectives set in 2006. We are very pleased with the achievements the ZCP has driven and that we have delivered what we promised in 2006. Not only has visitation increased exponentially, the facilities for animals, staff and visitors have all been vastly improved. We have begun to review the success of the ZCP and we will be providing WCC with a comprehensive report once this is complete.

We have submitted a request for additional financial support regarding Animal Care staffing. We have been undertaking a benchmarking exercise with Auckland Zoo, Hamilton Zoo and Orana Wildlife Park regarding staff numbers and salaries. We need to address these issues within our Zoo as animal care is our highest priority. The case for this funding request is included in this SOI. **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 (effective April 2016) is well managed and that the Trust meets the required reporting, monitoring and reviewing of H&S objectives.**

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

2. Strategic Direction

a) Core Purpose

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

PURPOSE

Wellington Zoo exists to ignite a zoo revolution. We lead the way in connecting people to animals and saving animals in the wild by our community loving and supporting their Zoo.

TRUST DEED

Wellington Zoo Trust Deed states the objects of the Trust as follows:

“7.1 The objects for which the Trust is established, to the extent that they are a charitable purpose within New Zealand, are as follows:

7.1.1 To manage, administer, plan, develop, maintain, operate and promote Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington;

7.1.2 To educate the community by building an awareness of plant and animal species and the actions required to promote conservation;

7.1.3 To promote species conservation;

7.1.4 To support and complement the conservation and learning activities undertaken by other organisations;

7.1.5 To develop, manage and plan animal species management programmes;

7.1.6 To promote and coordinate the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo;

7.1.7 To acquire additional plant and animal species;

7.1.8 Generally to do all acts, matters and things that the Trustees think necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the Wellington community.”

b) Operating Environment Update

We have redefined the strategic framework for Wellington Zoo Trust in order to deliver our strategic objectives. This is supported by structural changes and underpinned by our values.

We are well aware of the need to continually improve our experience offering so that the community feels they're getting value for money and leading edge zoo experiences. As the capital city zoo we believe we should be providing a uniquely Wellington Zoo experience- innovative, fun, creative and personal.

While we can make adjustments to our operations there is still the expectation within Wellington that access to many visitor facilities or events should/will be free. This community expectation provides challenges for us even though we have several community accessibility initiatives each year.

c) Strategic Framework

The ZCP was a disruptive force for change at the Zoo when it began in 2006 and an impetus like this is what we need again — not so much a physical change but building on the innovative platform for future initiatives that we have created. We must continue to drive success and organisational improvement.

Our new strategy is about the Wellington Zoo of the 21st century and seeks to take us into a new realm which builds on our success of the past few years, using the rebuilt Zoo physical platform and setting the stage for Wellington Zoo to be seen as a leader in the conservation of species and sustainability outcomes. Wellington Zoo distinguishes itself as a 'good zoo' in global terms and we want to continue this reputation across our strategic goals. *(See below)*

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 Tarankai Whanui to ensure the correct concepts to reflect our intentions. *(See below)*

Both the strategy and values are supported by a realignment of our people to deliver the new strategy in the Wellington Zoo way. The new structure will be complete by July 1, 2016.



PEOPLE LOVE AND SUPPORT THE ZOO

More people visit the Zoo and do more

Position the new Zoo in the community

Drive financial success



LEAD THE WAY

Model sustainable behaviours

Excellence in animal care

A positive culture of professionalism and safety with shared values



CONNECT PEOPLE AND ANIMALS

Design creative and exciting message-driven experiences

Maximise the connections with animals for visitors

Ensure a holistic approach to the new Zoo experience



SAVE ANIMALS IN THE WILD

Support local and global conservation programmes

Build community action for wildlife

Lead science and research projects

OURSTRATEGY

TO IGNITE A ZOO REVOLUTION

WELLINGTON



WELCOME
TO OUR
WILD PARTY

He whānau kotahi tātou

WE PUNCH
ABOVE OUR
WEIGHT

Ehara taku toa i te toa
takitahi, ēngari he
toa takitini

WE ARE A
VOICE TO BE
HEARD

Ka rongo te pō,
ka rongo te ao

WE HAVE A
STRONG GREEN
FURRY HEART

Me manawanui

A central illustration featuring four stylized animals: a lion with a purple mane and orange body, a parrot with green, blue, and yellow feathers, a bee with a yellow and black striped body and purple wings, and a green monkey with orange hands and feet. They are positioned above a large blue semi-circle.

OUR VALUES

MANAAKITANGA

WELLINGTON
ZOO

Wellington Zoo Trust's strategic elements are to:



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 over 230,000 visitors on-site and many more online.

Wellington Zoo will continue to build its reputation as a unique and intimate Zoo by including more opportunities for our visitors to experience multi layered and multisensory learning experiences. We will design creative and profound visitor experiences which connects people and animals in ways which inspire people to take positive action for the environment.

Our people are passionate about their work and we will ensure they are supported in their development and have the necessary capability to deliver our strategy.

Our commitment is to ensure **continual improvement in visitor experience to achieve wider engagement within the community**. We have dedicated expert staff in this area and they train our people and volunteers in the best practice approach to visitor engagement. 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. Programmes such as The Warehouse Wellington Zoofari for low decile schools, Neighbour's Night for the local community who live near the Zoo and discounted entry on Winter Wednesdays ensure accessibility for a wider segment of the community. 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 rate payers and residents who visit the Zoo often throughout the year.

Our newly refreshed website is broadening the reach of our message based experience, the visitor experience starts at home, with our updated website more accurately reflecting the experience within the Zoo, and showcasing our new Zoo for the community.

With the introduction of Meet the Locals He Tuku Aroha, we have an opportunity to engage our community in different ways – asking them for action (e.g. planting trees in our restoration site); or introducing them to community groups who are working across our city in biodiversity, or social enterprise: this may mean a conversation with the Wellington Beekeepers Association, or a lesson in planting vegetables at home provided by volunteers from one of our local community gardens. We have also increased the Iwi voice within the Zoo visitor engagement in Meet the He Tuku Aroha and will continue to work with Taranaki Whanui to continue this across the site. Meaningful, unique Māori stories will create a sense of place that no other Zoo in the world can replicate.

We will also be refreshing our approach to learning within the Zoo, looking to blur the line between the traditional constructs of the 'formal' and 'informal' learning experiences and providing all of our visitors with message driven, learning based experiences. This will be complemented by specialist Visitor Ranger Volunteers working alongside our staff helping us to deliver the best possible experience for all of our visitors.

Last year we achieved a silver rating by Be Accessible and as per the Letter of Expectation we will set our goal this year to achieve the gold rating.

Our Social Return on Investment (SROI) (November 2015) project, undertaken by the WCC Research Unit, indicates that we are seen as a credible voice for conservation and sustainability within the community. 95% of our visitors would recommend the Zoo to others visiting Wellington and 71% said that Wellington Zoo improves the quality of life in the city, while 89% said they would visit again when next in Wellington. We will include both local and non-local visitor SROI results in the **ZCP Review Document for WCC**.



Our end game is to save animals in the wild, locally and globally. We have a global conservation remit. Zoos worldwide are the third biggest investor in range state conservation (US\$350m annually) with only WWF Global and The Nature Conservancy contributing more.

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 and across New Zealand and beyond.

Our Collection Plan focuses on the number of critically endangered and endangered species we have in human care at the Zoo and those we support through our conservation programmes in the animal's range state. The field conservation programmes for critically endangered and endangered species in their range state that we support are: Sumatran Tigers through 21st Century Tiger, 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 Flora and Fauna International, Kea through Kea Conservation Trust, Kororā Little Blue Penguins through Places for Penguins; North Island Kākā through breed for restoration programmes, Grand and Otago Skinks with DOC and Golden Lion Tamarins through Associação Mico-Leão Dourado. The planned acquisition of **Snow Leopards** and **Ring Tailed Lemurs** will provide further opportunities for our community to engage with global conservation issues for endangered species.

Our goal is to ensure within the next three years that 5% of our operating expenditure goes directly to field conservation, following the international guidelines and model of the American Association of Zoos and Aquariums. In 2014/15 4.47% of our OPEX went directly to helping to save animals in the wild.

The Nest Te Kōhanga 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 and endangered. Our success in this area is above world standard for zoo veterinary hospitals and we take great pride in this achievement.

In the SROI research mentioned above 75-89% of visitors learnt that zoos play a vital role in conservation and have learnt ways that they can also contribute to conservation after their visit to Wellington Zoo. After visiting Wellington Zoo 80% said they plan to change their behaviour to benefit the environment.



The Trust now contributes 59% of its operational costs and has increased this consistently since the inception of the Trust in 2003 from 37%.

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 80 people (62 FTE) and by being one of the largest businesses 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. In the SROI research project the initial phase measured the economic impact of Wellington Zoo to the City from visitors coming to Wellington specifically to visit the Zoo. During the 2014-15 year non-local visitors to Wellington Zoo contributed **\$3,730,273 of direct new spending** to Wellington City's economy. This result was conservative, excluding any overnight accommodation and indirect spend. The next phase of the research will analyse the total economic value of Wellington Zoo to the City.

Our visitor feedback is positive and people are enjoying the continual change in the Zoo. Our Animal Close Encounters continue to attract visitors and venue hire and functions bookings are increasing.

Two examples of visitor feedback are as follows:

'This is one of the best zoos we have had the pleasure of visiting. My wife and I have lived and worked in Sydney, London, Singapore, and now Wellington, and we both view Wellington Zoo as the best zoo of any zoo we have visited internationally. It is incredibly well planned and laid out, always immaculate, accessible, full of great family features (we have two young boys), and educational without being 'preachy' or condescending in any way. Staff are well informed and always extremely helpful. We have been annual pass holders for two years now, visit regularly but neither the kids (or their parents) have never been bored by the experience. We will continue to be annual pass holders and frequent visitors.' Wellington Zoo visitor December 2015

'A friendly staff member approached us at the Otter enclosure as we were leaving and was super friendly and incredibly knowledgeable. She asked us about ourselves and gave us some great information about the otters and other animals we had encountered. She was engaging, and friendly without being overbearing or false. A great end to a great day.' Wellington Zoo visitor January 2016



Wellington Zoo has been recognised in a multitude of awards over the past few years, from 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 carbonZero certification continues with projects such as the **solar power installation on the roof of the Zoo entry building.**

We will invest in our people to provide professional growth. Caring for our people is a high priority for us and our new H&S Manager role will ensure we achieve our H&S targets. Our values project will be embedded over this coming year as part of our commitment to 'walking the talk'. **Our animals are the major emphasis for us and we are very proud to have achieved Zoo and Aquarium Association Animal Welfare Accreditation in 2015.**

We are also proud to have made a commitment to addressing the immense issue of illegal trade in wild animals. **To support the ethical standard to which Zoos should be operating when they gain animals in their collection, Wellington Zoo Trust has committed 5% of all costs spent on animal acquisitions to go directly to our partner organisation, TRAFFIC South East Asia, to help them tackle illegal trade in animals throughout the world. Last year 4.7 million animals were illegally traded in Asia – this represents one of the biggest species crises we are facing.** We are a Wellington based zoo with a global reach and this is one initiative which can support our partners in the field who are trying to reduce illegal animal trade.

3. ZCP Review

As the Letter of Expectation notes, the ZCP is now complete. We have begun reviewing the achievements from the ZCP including Return of Investment. **We will address the original objectives in this review and will ensure this review of the ZCP is reported to Council, as the major funder, during 2016-17.**

Wellington Zoo contracted DOT Loves Data to analyse the success of the ZCP prior to the opening of Meet the Locals He Tuku Aroha. This analysis will be included as part of the ZCP Review Project.

An excerpt of the ZCP Business Case 2006 rationale is below. We believe we have exceeded the measures for the ZCP investment. The risks listed below in the Business Case have been addressed and visitation has exceeded the ten year target.

Zoo Capital Programme Rationale from the 2006 Business Case

Every great city deserves a great zoo. As the capital city of New Zealand, Wellington deserves a great national zoo. Zoos are found in every continent and in every culture. They are the most visited of all the cultural organisations worldwide and more people go to zoos every year than all the spectator sports combined.

*The critical success factors for a modern Zoo are that it be interactive, unique, dynamic, accessible and provide the community with a forum to connect with wildlife through multi-sensory experiences and best practice animal welfare and management. The Zoo should establish partnerships with likeminded organisations to promote sustainable lifestyles and conservation action in the community through its diverse visitor reach. Through its social and environmental returns the modern Zoo becomes a major community asset with economic benefits for the city through tourism, employment and financial sustainability. Wellington Zoo can be small, specialised and doing it well. **Achieved***

*Wellington Zoo is a major heritage asset for the city but the degraded state of many Zoo assets arising from a legacy of many years of deferred facility maintenance and under-development so this is the primary driver for the scope of projects that are proposed to comprise the Zoo Capital Programme. **Achieved***

This programme was described as "Option 3 – A Modified 10 Year Programme", in the Trust's investment proposal to Wellington City Council in October 2005 and as adopted for further exploration in this review.

The Trust's approach to the selection of projects to comprise "Option 3" was to identify the essential work required to remedy the major health and safety and animal welfare issues and then to leverage the opportunity arising from the remedial work so that a start could be made on achieving the Trust Deed objectives of conservation, education and community benefits.

These opportunities arise not only because of the asset renewal arising from the remedial work, but also because remedying the issues associated with some exhibits is not practical in situ and in those cases, relocation of some species and exhibits is necessary.

*The intention of this integrated approach is to deliver a community facility which meets visitors' and stakeholders' expectations of a modern zoo that delivers on the triple bottom line of economic, social and environmental returns on investment. **Achieved***

Summary of Major Current Risks 2006

The six areas of risk outlined above have a potential range of impacts which are summarised below.

Table 1 - CURRENT RISKS

1 Risk	2 Health and safety issues
<i>Current likelihood</i>	<p><i>Low to medium</i></p> <p><i>While mitigation measures are in place to control most of the significant risks, some are not sustainable in the medium to long term as assets deteriorate further and the statistical likelihood of human error increases. Some risks (particularly of back injury) cannot be satisfactorily mitigated, especially in the existing hospital.</i></p>
<i>Impact</i>	<i>Legal and financial risk to Trust and Council remains. Serious injury, disease or death is a possibility.</i>
3 Risk	4 Animal well-being compromised
<i>Current likelihood</i>	<p><i>High</i></p> <p><i>The condition and location of some current exhibits and off-display areas is such that higher levels of morbidity and mortality are occurring than is acceptable. This is most obvious in Bird Valley.</i></p>
<i>Impact</i>	<i>Serious risks to reputation of Trust, Council and city if issues not resolved for some species in near future. Currently in adequate holding pattern for some areas but this is not sustainable. The location of much of the bird collection carries risks which cannot be mitigated and whose consequences are unacceptable.</i>
5 Risk	6 Zoo slipping behind standard expected of modern zoo
<i>Current likelihood</i>	<p><i>Medium to high</i></p> <p><i>Reputation with zoo community is currently reasonable. In the longer term, this could change if investment is not made and key staff leave as a consequence or if failure to invest means the Zoo cannot keep up with increasing expectations for participation in joint programmes. Visitor numbers may begin to decline if visitor expectations cannot be met.</i></p>
<i>Impact</i>	<i>Zoo industry support may be compromised leading to increasing difficulty in sourcing animals. Maintaining regional zoo industry accreditation could become problematic. Ability to counter anti-zoo lobby attacks reduced. Key staff leave. Admissions and other revenues decline.</i>
7 Risk	8 Trust continues in negative equity position
<i>Current likelihood</i>	<p><i>High</i></p> <p><i>Issue raised by auditors at last audit. Must be addressed through next purchase agreement.</i></p>
<i>Impact</i>	<i>Legal and financial risk to Trust and Council remains. Could ultimately lead to need to cease operation with subsequent resourcing demands for management of closure over some years.</i>

*The Trust is confident in its projection of an increase in visitor numbers to between **230,000 and 240,000 by 2015/16**. This represents an average of 3% – 3.5% growth per year.*
Achieved

The additional growth resulting from the ZCP project development and associated visitor experience and product enhancements represents 3% per year on average and a total growth over the ten years of 36%. Given the growth pattern seen since its establishment, the Trust believes this 3% growth projection is conservative given that the ZCP will see a series of developments rolled out over ten years akin to the development programme at Auckland Zoo in the 1990s

9 Risk	10 Increasing competition from other events and facilities leads to accelerating drop in visitation
<i>Current likelihood</i>	<i>Medium to high</i> <i>Continuing to be competitive in this area depends on renewal and maintaining relevance.</i>
<i>Impact</i>	<i>Trust is unable to reduce its dependence on Council operational funding, fails to attract substantial external funding for development.</i>

We believe we have addressed these risks and we will outline this further in the ZCP review.

4. CAPEX programme 2016-26

The following projects outline the CAPEX priorities for Wellington Zoo over the next ten years.

Currently none of these projects are funded in the LTP and we understand that the proposed programme will be subject to future Annual and Long Term plan budgets and analysis.



Proposed Spend for New Capital Projects											
	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	TOTAL
<p>Snow Leopards</p> <p>Snow Leopards are endangered in the wild, with a population of less than 7,000 thought to exist in their mountainous range state. 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 conservation action. The preliminary design is complete for this project. This project has been prioritised by WZT for some years now.</p>	\$3.5m										\$3.5m
<p>Ring tailed Lemur Exhibit</p> <p>WZT is reducing the number of baboons we hold (we only have six males currently as all females have been translocated to Australia) and we will eventually remove that species from our collection. We plan to replace this common species with an endangered species – Ring tailed Lemurs. We already support lemur conservation in Madagascar through the Madagascar Fauna and Flora Group so these animals would support our conservation work. The Ring tailed Lemurs experience will be in the existing baboon habitat but we propose to create a lemur walkthrough habitat to create a Madagascar conclusion to the Africa precinct. This design for these animals has proved successful at Taronga Zoo and Melbourne Zoo and we know our visitors enjoy being close to the animals in the same space. We would be the only zoo in NZ with a walkthrough Lemur experience. To complete this project we will need to redesign a completely new animal habitat to allow visitors to access this space. This project will be completed within one year.</p>	\$500k										\$500k

Proposed Spend for New Capital Projects

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	TOTAL
<p>Welcome Plaza</p> <p>This area of the Zoo is currently unsuitable for growth in visitor numbers. It is confusing and congested for staff and visitors with many functional activities taking place in a small space. Admissions, retail, catering and visitor amenities all compete for space and visitor flow. On busy days the space is so crowded that long queues form outside the Zoo. The auditors have mentioned the confusion in this area for the past three years as part of their audit process. Year one cost is for planning as this is a complex project. The design will include a new learning/discovery space as well as admissions, retail, cafe and new staff offices.</p>		\$500k	\$2.5m	\$2.5m							\$5.5m
<p>Tropical River Trail Aviaries</p> <p>The existing aviaries and visitor pathways along the Tropical River Trail need to be replaced and improved. The aviary walls are an earthquake risk and the islands need to be redesigned for the animals we now hold. The earthquake risk is currently being assessed with WCC and some minor improvements may need to occur to manage this before we have the CAPEX to completely upgrade. The upgrade plan is for a large aviary structure housing small monkeys.</p>		\$2m									\$2m
<p>Australia (Including Australian Birds)</p> <p><i>Neighbours</i> has been successful as a visitor walkthrough experience and to complete this we want to move all our Australian birds to that space as well as acquire wombats. This will require an upgrade of the existing space and the creation of new viewing for those animals. This project will also include the demolition of the old chimp day room and improvements to the existing chimp park containment wall. This wall is being assessed against earthquake standards and may require addressing earlier in the ten year programme depending on the assessment results. Removal of the old chimp day room will create a much more exciting entry to the Africa precinct with viewing into the chimp park and visitor learning opportunities in that space.</p>					\$2m	\$800k					\$2.8m
<p>Sustainability initiatives</p> <p>To future proof the Zoo as a leader in sustainability we must implement large carbon emissions reduction projects over time. Projects such as wind power and more solar panels will part of these sustainability initiatives. This work is part of the ethos of the Zoo as a conservation agency and builds on our success to date in this area. As the world's first carboNZero certified Zoo we are a leader in sustainability globally. As the capital city Zoo we feel this should be continued as the Zoo contributes more and more to global conservation outcomes.</p>						\$500k					\$500k

Proposed Spend for New Capital Projects

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	TOTAL
<p>Archibald Centre - multi use visitor space</p> <p>The Archibald Centre is an old multi use building which will need replacing by 2022/23. This venue is used for corporate hire, functions and meetings. It is a critical part of our revenue growth and will need to meet acceptable standards. This building was built in the 1960s and while it is acceptable it is not a space that suits modern venue hire expectations. As the Zoo strives to reduce the burden on the ratepayer having a suitable venues assist us with much needed revenue.</p>							\$2m				\$2m
<p>Savannah Survival (Cheetah and Lions)</p> <p>The current cheetah and lion exhibits and dens are old. Cheetah are an iconic species for Wellington Zoo and we support Cheetah Outreach in South Africa as part of our suite of range state conservation programmes. Cheetah also a major factor in our Close Encounters which provide a more in depth learning opportunity for visitors. We would also like to be able to have both male and female lions on display together which we cannot with the current arrangement. These iconic cats need better housing and viewing arrangements. As part of the Africa precinct visitor engagement strategy we believe glamping options in this area would be successful.</p>								\$2.5m	\$2.5m		\$5m
<p>Kiwi and Tuatara House Te Ao Māhina</p> <p>The position of Te Ao Māhina is less than ideal from both visitor flow and storytelling perspectives. In ten years' time it would be prudent to rebuild the kiwi house as it will be over 25 years old. We plan to relocate it closer to Meet the Locals He Tuku Aroha and improve visitor flow throughout the Zoo.</p>										\$2m	\$2m
Total	\$4m	\$2.5m	\$2.5m	\$2.5m	\$2m	\$1.3m	\$2m	\$2.5m	\$2.5m	\$2m	\$23.8m

5. Animal Care Keeper Staffing

After the death of a very experienced Zookeeper at Hamilton Zoo in 2015 the four major zoos in NZ- Auckland, Hamilton, Orana Wildlife Park and Wellington - have undertaken a benchmarking review to assess Animal Care staffing, animal to keeper ratios and salaries. This issue has not been discussed with WCC prior to February 2016 by Wellington Zoo as we did not have the results of the comparative study.

The biggest risk facing Wellington Zoo in the resultant scenarios is in the area of health and safety, specifically, the immediate need to manage fatigue, reduce keeper to animal ratios, minimise risk of error and address leave entitlement issues for our animal care staff. Our audit of the situation has established a critical need for more keepers on the ground each day to reduce animal to keeper ratios in line with internationally accepted minimum standards.

The priorities are:

- Employ an additional 3FTE keepers. The additional staff will allow us to change the rostering to have staff working a maximum of five days rather than seven. This will reduce risk of error and fatigue.
- Restructure the current Life Sciences Managers to Team Leaders to have more experienced keepers on the ground (equivalent cost to 1 FTE). This would provide more experience on the ground daily.
- Recruit an Animal Care Manager who is responsible for management of all husbandry sections, animal care outcomes and training of the keeping staff.

The impact on operational salary costs is as follows:

- 4 FTE keepers- \$160k
- Animal Care Manager- \$70-80K

Wellington Zoo Trust is able to manage the cost of the Animal Care Manager (\$70-80K) through its current budgets from 2016-17. This bid, therefore, is for WCC to increase the Zoo's operational grant by \$160K pa to cover the cost of employing additional keepers. This is a major challenge for Wellington Zoo as excellent animal care is the basis of everything we do and Health and Safety of our people and our community is a major imperative of being a good zoo. We ask that this request be considered in the 2016-17 Annual Plan discussions.

6. Contribution to our city and links to the WCC Strategy

The Towards 2040 Strategy for our city aligns with the goals of Wellington Zoo Trust in that it is about inspiring each other to see the possibilities for the future. The work of the Zoo supports the four pillars of the Towards 2040 Strategy: eco city, people centred city, connected city and dynamic city centre. The Zoo is an iconic asset for our city and as our population grows there will be an even greater desire for the Zoo to be a sophisticated and accessible attraction which delivers 21st century conservation programmes on site and off site

The 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 business with talented people to the thriving cultural and natural heritage of Wellington as a liveable city. The Zoo supports the Economic Strategy for our city by contributing strongly to liveability outcomes and by being part of the well-being of people that Wellington is renowned for amongst New Zealand cities. We feel very positively about working with WREDA to ensure economic growth for our city. As winners of Green Gold and Vibrant Gold, Wellington Gold Awards and the supreme winner of the Wellington Region Business Awards 2015 we believe we are perfectly placed to add value to the economy of our region.

As a result of aiming for and achieving the Trust's strategic vision, 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 events, connections, inclusivity and engagement
- A substantial player in the drive to position Wellington as a centre for learning about and expertise in conservation and sustainability
- A key contributor to helping the city become internationally competitive, entrepreneurial and innovative by attracting investment in education, research, tourism and employment and contributing to the provision of a vibrant city attracting a creative working population
- An important part of Wellington's history as New Zealand's first zoo and the most visited paid cultural attraction in Wellington.

Wellington Zoo can be seen as an important part of the regional fabric that stimulates overall wealth creation and social stability and connects people to conservation and environmental issues. As our region's only zoo we are a unique asset for our city.

7. Nature and Scope of Activities

Core Business

The Trust will continue to provide the core business services that the Zoo has historically delivered to Wellington. These can be summarised as follows:

- Strategic direction and operational management of the Zoo
- Development and maintenance of animal exhibits which offer high quality experiences to visitors and high quality living environments to the resident animals
- Provision of engaging learning experiences for visitors and community involvement with the Zoo as a community asset
- Educational curriculum delivery to develop children as democratic citizens
- Management of collection 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 ex situ and in situ conservation programmes, and sustainable management practices on site
- Participation in collaborative inter-zoo management programmes for collection species and other zoo specific activities
- Contribution to conservation, scientific, learning and management research projects in the field and on site
- Fundraising for the organisation's future sustainability, development and conservation projects.

8. Performance Measurements

For the next three years the following table indicates the measures for WCC to monitor. These are linked to our strategic areas.

Measure	Frequency of Measure	Target 2016-17	Target 2017-18	Target 2018-19	Notes
Connect people with animals					
Contact animals meeting visitors in Zoo	Quarterly	1,000 hours	1,100 hours	1,100 hours	
People participating in Close Encounters	Quarterly	4,069	4,262	4,464	
Number of students participating in LEOTC sessions	Quarterly	10,000	10,000	10,000	Our annual target is 5,500 students for our LEOTC contract so this is a stretch target
People love and support the Zoo					
Increase total visitation	Annually	239,408	242,520	245,673	
Percentage of operating costs generated by the Trust	Annually	55%	54%	54%	
Ratio of Trust generated income as percentage of WCC grant	Annually	122%	119%	118%	
Average income per visitor from Trust generated revenue	Annually	\$15.94	\$15.69	\$15.74	
Average WCC subsidy per visitor	Annually	\$13.05	\$13.19	\$13.37	This KPI measures only the WCC OPEX Grant per visitor
Full cost per visitor including WCC costs	Annually	\$21.22	\$20.95	\$20.68	This KPI is generated by WCC. It includes depreciation, shared services costs, CCO team costs, insurance, CAPEX interest and the OPEX grant
Volunteer engagement survey	Annually	1	1	1	New measure.

Save animals in the wild					
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) in the Zoo's collection	Annually	≥26	≥27	≥27	
Number of threatened Native species (DOC rating) treated in the Nest Te Kōhanga	Annually	≥30	≥30	≥30	
Number of Field Conservation Projects supported for threatened (NZ) endangered or critically endangered (global) species	Annually	≥ 4	≥ 5	≥ 6	
% of OPEX directly contributed to field conservation	Annually	3%	4%	5%	This measure uses the American Zoo Association Framework (now adopted by the Zoo Aquarium Association Australasia) to measure direct contribution to field conservation.
Participate in animal based scientific projects and paper publication	Annually	≥ 4	≥ 5	≥ 6	
Lead the way					
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Annually	Achieved	Achieved	Achieved	
Maintain carboNZero certification	Annually	Achieved	Achieved	Achieved	
H&S targets met	Annually	Achieved	Achieved	Achieved	
Initiatives to embed professional development of our people	Annually	≥ 8	≥ 9	≥ 10	Golden Agouti Staff Recognition Awards; Organisational Values Project, training initiatives, development opportunities for specific technical skills, recruitment of talented staff
Staff turnover (permanent staff only)	Annually	≤ 18.5%	≤ 18.5%	≤ 18.5%	The 2014 NZ Staff Turnover Survey was released mid-2015. The survey findings put the 2014 national average turnover at 16.3% and at 18.2% for the Not for Profit sector.

9. Board's Approach to Governance

Wellington Zoo Trust is a Council Controlled Organisation having been established in 2003 by the Wellington City Council to develop and manage Wellington Zoo.

Relationship with Council

The Trust ensures the ongoing viability of the organisation is maintained through the monitoring of Key Performance Indicators (KPIs) and the financial results. Governing policies have been developed by Trustees to ensure the business of the Trust is managed consistently with its Deed and stated direction.

As part of the ongoing relationship with the Wellington City Council, the Chair and Chief Executive meet with the Mayor, Environment Portfolio leaders and Wellington City Council Chief Executive on a regular basis. The Wellington Zoo Chief Executive meets regularly with officers of the CCOs & City Growth Projects unit and other Council management when appropriate. The Chair and Chief Executive attend the Environment Portfolio 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.

The Trust will publicly acknowledge Council's contribution to the Zoo wherever appropriate.

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

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

Board Membership

Name	Term Expires
Frances Russell (<i>Deputy Chair</i>)	31 December 2016
Linda Meade	30 June 2016
Sarah Free	October 2016
Raewyn Bleakley	30 November 2017
Craig Ellison (<i>Chair</i>)	30 November 2017

All Board members are non-executive.

Board Committees

The Board operates two committees:

- Finance, Audit and Risk Committee
- Remuneration Committee

Board Development

The Board conducts an annual review of overall Board performance and individual and chair performance and from this determines development needs and any other actions required to ensure best practice governance and performance standards are met. The Trust promotes Board development for corporate governance and spends at least 10 hours a year on this at Board meetings and additional workshops and discussions. **A report will be tabled to the WCC Chief Executive on the Board review and outcomes by 30 September 2016.**

10. Organisational Health, Capability and Risk Assessment

Wellington Zoo Trust has a Finance, Audit and Risk Committee which meets quarterly throughout the year. The Board monitors our risk matrix at least annually and this matrix is updated as required.

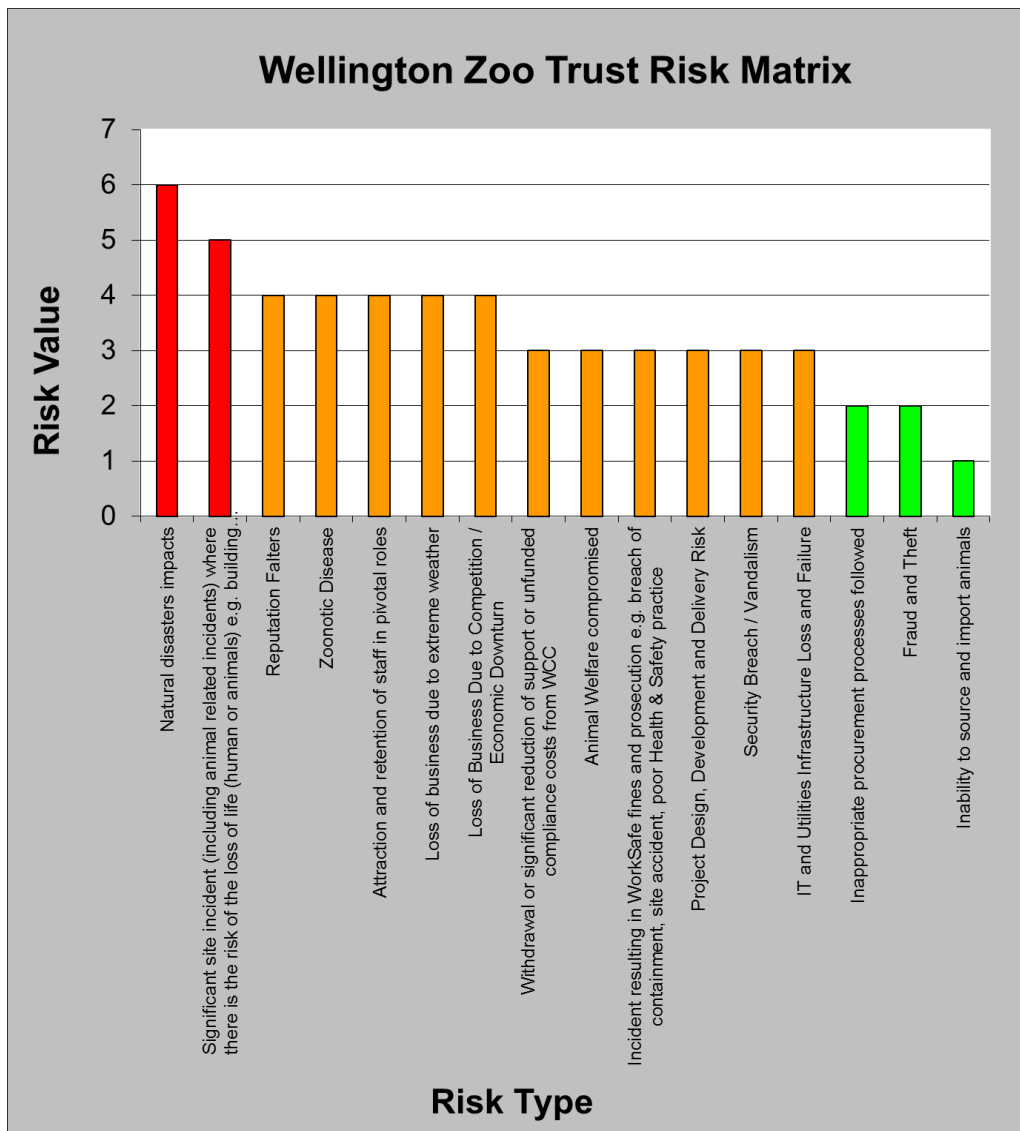
Health and Safety is currently managed via the recently appointed Health and Safety Manager who is a direct report to the Chief Executive. The H&S Manager works with our Safety Improvement Team to ensure safe practices in the Zoo for animals, staff and visitors. All Health and Safety incidents are monitored weekly by the SMT and by the Board at their regular meetings. Annual trends are analysed by the SMT and the Board and actions taken to rectify any trends.

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 (effective April 2016) is well managed and that the Trust meets the required reporting, monitoring and reviewing of H&S objectives.

Risk Analysis & Mitigation Plan for Wellington Zoo Trust

Risk No	Areas of Risk	Risk Identification	Probability	Impact	Risk Value	Impact	\$ Value of Risk	Risk Mitigation	Responsibility	Accountability
1	Financial, H&S, Operational, Collection, Visitation	Natural disasters impacts	-1	7	6			Business Continuity Plan, Emergency Management Plans. All documents reviewed annually. Regular practice drills carried out. Crisis communications plan for communicating with community and media.	CE	Board GMAC H&S Manager GMCE
3	Financial, H&S, Operational, Visitation, Reputational Fund Raising, ZCP, Collection	Significant site incident (including animal related incidents) where there is the risk of the loss of life (human or animals) e.g. building fire	-2	7	5			Emergency Management Plans, Health & Safety Management System, Containment Standards. All documents reviewed annually. Regular practice drills carried out. Communications protocols in place to communicate to community and media in event of incident. Monitored Fire Alarms in all our buildings and where possible in animals areas, Building WOF's.	CE	Board GMAC H&S Manager GMCE
7	Financial, Operational, Reputational Visitation, Fundraising, ZCP	Reputation Falls	-2	6	4			Communications protocols to communicate with key stakeholders, media and community in event of reputational risk. Strong relationship management with partners and stakeholders e.g. DOC, MPI, WCC. Mitigations in place to avoid this happening include: Animal Welfare Accreditation, Euthanasia Policy, Code of Conduct, Media Policy, Use of Electronic Media Policy, Disciplinary Policy.	CE	Board SMT
4	Financial, H&S, Operational, Collection, Visitation	Zoonotic Disease	-3	7	4			Health & Safety Management Plan, Zoonotic Diseases Policy, EPA/MPI policies. All documents reviewed annually as part of annual MPI audit.	CE	Board GMAC
2	Financial, H&S, Operational, Visitation, Fundraising, ZCP	Attraction and retention of staff in pivotal roles	-1	5	4			Recruitment Policy and networks with recruitment agencies and other organisations. Staff Development Policy and dedicated training budget for development in line with requirements of role. Remuneration Policy and a range of benefits for staff set out in the Benefits, Rewards & Recognition Policy. Engagement through shared values.	CE	Board GMP&C
10	Financial, H&S, Operational, Collection, Visitation	Loss of business due to extreme weather	-1	5	4			In the event of an extreme weather event that results in a prolonged impact on our business, tactical marketing and pricing will be put into effect. Aspects of the planned recovery from such an event are also covered in the Business Continuity Plan.	CE	Board GMB&P GMCE
11	Financial, Reputational Visitation, Fundraising	Loss of Business Due to Competition / Economic Downturn	-1	5	4			As part of the annual planning process competition and the economic climate are evaluated and reviewed. Value for money feedback is also sought from visitors and the community as required through research projects. This is all taken into account in the annual business planning cycle, annual pricing review and collection planning. In the event of an unexpected sharp economic downturn tactical marketing and pricing will be put into effect and tempered by prudent financial management.	Board	Board CE
5	Financial, H&S, Operational, Collection, Visitation, Reputational, Fundraising	Withdrawal or significant reduction of support or unfunded compliance costs from WCC	-2	5	3			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	Board	Board CE
8	Financial, Operational, Reputational Fundraising, Collection	Animal Welfare compromised	-3	6	3			Through ZAA Accreditation the Zoo's animals welfare state is evaluated. Husbandry Manuals which are regularly reviewed and updated ensure that all animal needs are met. Staff attending national and international conferences as part of development policies ensure their knowledge stays abreast with rest of industry, governed by WZT Animal Welfare Committee	CE	Board GMAC
6	Financial, H&S, Operational, Visitation, Reputational Fund Raising, ZCP, Collection	Incident resulting in WorkSafe fines and prosecution e.g. breach of containment, site accident, poor Health & Safety practice	-3	6	3			Health & Safety Management Plan, Health & Safety Manager position, Inductions (staff and contractors), maintaining processes, protocols and reporting, Emergency Manual, daily containment checks, SOPs, annual training and competence assessment.	CE	Board GMAC H&S Manager GMCE

12	Financial, Operational, Visitation, Fundraising, ZCP	Project Design, Development and Delivery Risk	-2	5	3		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 H&S Manager
13	Financial, H & S, Operational, Collection	Security Breach / Vandalism	-2	5	3		CCTV System and Security Alarms in all our buildings and where applicable in animal areas, weekly perimeter checks, perimeter electric fence monitored by security company. Maintenance of Perimeter Fence	CE	Board GMAC
14	Financial, Operational, Visitation, Fundraising, ZCP, Collection, H & S	IT and Utilities Infrastructure Loss and Failure	-1	4	3		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 H&S Manager GMAC
15	Financial, Operational, Reputational, Fund Raising, ZCP	Inappropriate procurement processes followed	-2	4	2		Procurement 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 CFO
16	Financial, Operational, Reputational Fundraising	Fraud and Theft	-2	4	2		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 Procurement Manager with written procedures for following up variances. Annual audit by Audit NZ. Pre-employment Criminal checks.	CE	Board GMBP/CFO
9	Financial, Operational, Visitation, Reputational Fund Raising, ZCP	Inability to source and import animals	-3	4	1		Zoo Collection plan that is continually updated, Animal Science Manager position that 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.	CE	Board GMAC



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.



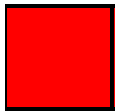
All risks with a Risk Value of 5 - 8 must have a mitigation plan developed and agreed with the Board.



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.

11. Additional Information

a) Response to other specific Letter of Expectation matters (if applicable)

Not Applicable

b) Ratio of shareholders funds to total assets

Please refer to the Balance Sheet included and Accounting Policies.

c) Estimate of amount intended for distribution

Wellington Zoo Trust does not make a distribution to the Settlor.

d) Acquisition procedures

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

e) Activities for which the Board seeks compensation from a local authority

The Board acknowledges the **\$2,965,278 for operational funding currently in the Long Term Plan.**

The Trust is seeking **\$160k additional operational funding to be added into the Long Term Plan** to address the Animal Care staffing issues based on benchmarking exercise across NZ's major zoos.

The Board acknowledges the **\$815,030 currently in the Long Term Plan for CX125** (Zoo asset renewals) for 2016-17. However we note that in the full cost of the Zoo measure calculated by WCC, depreciation for the Zoo asset is running at \$1.5m pa. This is considerably more than the renewals funding we receive. We will be discussing this issue with the Officers during 2016-17.

f) Estimate of commercial value of shareholders investment

Not Applicable

g) Other matters (if applicable) e.g. water supply services LGA requirements

Not Applicable

h) Supplementary information the entity wishes to include

Not Applicable

12. 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 negotiated for a period of 3 years to 30 June 2012. This contract has been re-extended to 30 June 2016. Ongoing funding for the Trust has been approved in the 2015/2025 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 2015. The financial statements were authorised for issue by the Board of Trustees on 12 August 2015.

Statement of Compliance with International Financial Reporting Standards

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.

Significant Accounting Policies

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 2004. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax and accordingly is required to comply with these regulations.

Goods and Services Tax (GST)

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

Debtors and other receivables

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

Cash and cash equivalents

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

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Inventory

Inventories are recorded at the lower of cost (determined on a first-in first-out basis) or net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property, Plant and Equipment

Recognition

Property, plant and equipment consists 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, long service leave qualified for and time off in lieu) is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) & 16(4) of the Holidays Act 2003.

Long service leave (not yet qualified for) and retirement gratuities have been calculated on an actuarial basis based on the likely future entitlements accruing to staff, after taking into account years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and other contractual entitlements information. The present value of the estimated future cash flows has been calculated using an inflation factor and a discount rate. The inflation rate used is the annual Consumer Price Index to 31 March prior to year end.

Other Contractual Entitlements

Other contractual entitlements include termination benefits. Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. .

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 Transfers

Animal transfers are recognised at cost.

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.

Transition to PBE IPSAS

Effect of first-time adoption of PBE standards

The changes to the accounting policies and disclosures (including comparatives) resulting from the first-time adoption of PBE standards are as follows:

Within the notes forming part of the financial statements presentational changes have occurred as follows:

- Changes to (Note 1) classifying the main revenue components as either exchange or non-exchange revenue.
- Changes to the receivables note (Note 8) and payables notes (Note 12) to reflect the disaggregation above
- Change to Revenue in advance reflecting the nature of the advance receipts and liabilities for transfers with conditional agreements
- Other minor terminology changes

13. Forecast Financial Statements

		CCO: Wellington Zoo Trust Business Plan 2016/17						
		\$NZ000's						
Estimate 30-Jun-16	EARNINGS STATEMENT	Qtr to 30-Sep-16	Qtr to 31-Dec-16	Qtr to 31-Mar-17	Qtr to 30-Jun-17	Total YE 30-Jun-17	Total YE 30-Jun-18	Total YE 30-Jun-19
	Revenue							
3020	Trading Income	707	1008	948	724	3,387	3,333	3,394
2893	WCC Grants	781	781	781	782	3,125	3,200	3,284
82	Other Grants	21	21	20	20	82	82	82
237	Sponsorships and Donations-Operational	45	50	44	51	190	250	250
200	Sponsorships and Donations-Capital					0	-	0
50	Investment Income	12	13	12	13	50	30	30
100	Other Income	27	27	27	27	108	110	110
6,582	Total Revenue	1,593	1,900	1,832	1,617	6,942	7,005	7,150
	Expenditure							
4,336	Employee Costs	1,207	1,207	1,207	1,207	4,828	4,885	4,982
2,025	Other Operating Expenses	523	551	505	514	2,093	2,100	2,150
21	Depreciation	5	5	5	6	21	20	18
0	Interest	0	0	0	0	0	0	0
200	Vested Assets					0	0	0
6,582	Total Expenditure	1,735	1,763	1,717	1,727	6,942	7,005	7,150
0	Net Surplus/(Deficit) before Taxation	(142)	137	115	(110)	0	0	(0)
0	Taxation Expense					0	0	0
0	Operating Surplus (Deficit)	(142)	137	115	(110)	0	0	(0)
0	Net Surplus/(Deficit)	(142)	137	115	(110)	0	0	(0)
0.0%	Operating Margin	-8.9%	7.2%	6.3%	-6.8%	0.0%	0.0%	0.0%

Estimate 30-Jun-16	STATEMENT OF FINANCIAL POSITION	As at 30-Sep-16	As at 31-Dec-16	As at 31-Mar-17	As at 30-Jun-17		As at 30-Jun-18	As at 30-Jun-19
	Shareholder/Trust Funds							
0	Share Capital/Settled Funds	0	0	0	0		0	0
0	Revaluation Reserves	0	0	0	0		0	0
1,424	Restricted Funds	1,424	1,424	1,424	624		624	624
318	Retained Earnings	176	313	428	318		318	318
1,742	Total Shareholder/Trust Funds	1,600	1,737	1,852	942		942	942
	Current Assets							
3,277	Cash and Bank	3,738	3,099	3,816	2,130		2,150	2,190
150	Accounts Receivable	60	60	60	60		60	60
80	Other Current Assets	60	60	60	60		60	60
3,507	Total Current Assets	3,858	3,219	3,936	2,250		2,270	2,310
	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							
46	Fixed Assets	41	36	31	25		5	(13)
0	Other Non-current Assets	0	0	0	0		0	0
46	Total Non-current Assets	41	36	31	25		5	-13
	Total Assets							
3,553	Total Assets	3,899	3,255	3,967	2,275		2,275	2,297
	Current Liabilities							
1,099	Accounts Payable and Accruals	1,060	806	830	621		481	503
	Provisions						0	0
700	Other Current Liabilities	1,227	700	1,273	700		840	840
1,799	Total Current Liabilities	2,287	1,506	2,103	1,321		1,321	1,343
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0		0	0
0	Loans - Other	0	0	0	0		0	0
12	Other Non-Current Liabilities	12	12	12	12		12	12
12	Total Non-Current Liabilities	12	12	12	12		12	12
	Net Assets							
1,742	Net Assets	1,600	1,737	1,852	942		942	942
	Current Ratio							
1.9	Current Ratio	1.7	2.1	2	1.7		2	1.7
	Equity Ratio							
49.0%	Equity Ratio	41.0%	53.4%	46.7%	41.4%		41.4%	41.0%

Estimate 30-Jun-16	STATEMENT OF CASH FLOWS	Qtr to Sep-16	Qtr to Dec-16	Qtr to Mar-17	Qtr to Jun-17	Total YE Jun-17	Total YE Jun-18	Total YE Jun-19
	Cash provided from:							
3,020	Trading Receipts	707	1,008	948	724	3,387	3,333	3,394
2,893	WCC Grants	1379	0	1378	0	2,757	3,200	3,284
82	Other Grants	21	21	20	20	82	82	82
437	Sponsorships and Donations	45	50	44	51	190	250	250
50	Investment Income	12	13	12	13	50	30	30
100	Other Income	27	27	27	27	108	110	110
6,582		2,191	1,119	2,429	835	6,574	7,005	7,150
	Cash applied to:							
4,336	Payments to Employees	1,207	1,207	1,207	1,207	4,828	4,885	4,982
2,025	Payments to Suppliers	523	551	505	514	2,093	2,100	2,128
	Net GST Cashflow					0	0	0
200	Other Operating Costs (VESTING)			0	0	0	0	0
	Interest Paid	0				0	0	0
6,561		1,730	1,758	1,712	1,721	6,921	6,985	7,110
21	Total Operating Cash Flow	461	(639)	717	(886)	(347)	20	40
	Investing Cash Flow							
	Cash provided from:							
	Sale of Fixed Assets					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	Cash applied to:							
0	Purchase of Fixed Assets					0	0	0
200	Other -vesting Cash for Capital Projects	0			800	800	0	0
200		0	0	0	800	800	0	0
(200)	Total Investing Cash Flow	0	0	0	(800)	(800)	0	0

Estimate 30-Jun-16	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-16	Qtr to 31-Dec-16	Qtr to 31-Mar-17	Qtr to 30-Jun-17	Total YE 30-Jun-17	Total YE 30-Jun-18	Total YE 30-Jun-19
	Financing Cash Flow							
	Cash provided from:							
	Drawdown of Loans					0	0	0
	Other					0	0	0
0		0	0	0	0	0	0	0
	Cash applied to:							
	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
(179)	Net Increase/(Decrease) in Cash Held	461	(639)	717	(1,686)	(1,147)	20	40
3,456	Opening Cash Equivalents	3,277	3,738	3,099	3,816	3,277	2,130	2,150
3,277	Closing Cash Equivalents	3,738	3,099	3,816	2,130	2,130	2,150	2,190

Estimate 30-Jun-16	CASH FLOW RECONCILIATION	Qtr to 30-Sep-16	Qtr to 31-Dec-16	Qtr to 31-Mar-17	Qtr to 30-Jun-17	Total YE 30-Jun-17	Total YE 30-Jun-18	Total YE 30-Jun-19
0	Operating Surplus/(Deficit) for the Year	(142)	137	115	(110)	0	0	(0)
	Add Non Cash Items							
21	Depreciation	5	5	5	6	21	20	18
	Other (Gifted Hospital Assets)		0		0	0	0	
21		(137)	142	120	(104)	21	20	18
	Movements in Working Capital							
	(Increase)/Decrease in Receivables	90	0	0	0	90	0	0
	(Increase)/Decrease in Other Current Assets	20	0	0	0	20	0	0
	Increase/(Decrease) in Accounts Payable	(39)	(254)	24	(209)	(478)	(140)	22
	Increase/(Decrease) in Other Current Liabilities	527	(527)	573	(573)	0	140	0
0		598	(781)	597	(782)	(368)	0	22
	Net Gain/(Loss) on Sale:							
	Fixed Assets	0				0		
	Investments	0				0		
0		0	0	0	0	0	0	0
21	Net Cash Flow from Operations	461	(639)	717	(886)	(347)	20	40



Craig Ellison
Board Chair, Wellington Zoo Trust