



Zoos S.A.

Business Plan

**Executive
Summary**

**For the ongoing
vitality and viability
of a cherished and
contemporary
conservation
organisation**

**2015
2020**

ZOOS
SOUTH AUSTRALIA 

Principal Partner
Westpac

Looking Ahead...

In mid 2012, a Five Year Business Plan was publicly released.

The Business Plan is the detail that supports our Strategic Plan and helps to ensure that activities across all parts of the business are closely aligned with its directions. Quarterly monitoring of the status of actions against the detailed tasks is undertaken and results reported to the Board and State Government.

This Business Plan is reviewed annually and has again been updated to reflect the significant achievements already made and the areas that require our focus over the next 12 months. It has also been updated to reflect the cessation of the lease of Warrawong Wildlife Sanctuary.

The 2014-15 year again saw positive results with visitors and members and some wonderful success in breeding threatened animals. This year was also a time of significant planning for the future. This Business Plan now builds on the positive achievements of the past years and focuses on the implementation of actions to drive future success.

Two key documents for Zoos SA have been publicly released. The first is our Master Plan, which outlines the forward infrastructure plans for Adelaide and Monarto Zoos and will guide their evolution over the next twenty years. To develop this plan we looked at all parts of our operations and challenged ourselves to prepare for the years ahead.

The second key document is our Conservation Directions which will guide our future conservation work. Conservation of species is at the heart of our Mission and a core objective of the Strategic Plan. The Conservation Directions document provides us with a framework for local, regional and international conservation programs we can use to help us prioritise this critical work.

Our core business continues to be based around public zoo visits, which have transformed dramatically over the past decade to become more adaptive, diverse, active and interactive.

On top of this, Zoos SA's broader conservation purpose has grown in prominence and professionalism. We apply world class zoo standards and contribute to global conservation efforts through our integrated conservation programs.

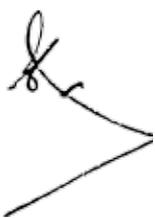
There is much still to be done in this challenging financial climate. With the persistent and growing need for active conservation efforts to stem the loss of habitat and biodiversity, zoos will become more and more important to support species on the edge of extinction and as engaging and learning centres for the next generation.

From a business perspective, we require more diversified revenue streams and the establishment of a sustainable financial base that supports the organisation at the right scale and shape for what we do uniquely and well. We share with zoos worldwide a distinct business challenge; zoos are expensive to run, easy to undervalue based purely on “bottom line” terms and have limited cost recovery options.

The Board and Leadership Team have reviewed the Strategic Plan 2012-2017 and are very comfortable with the Vision, Mission and goals contained within it. When reviewing the Business Plan for 2015-16, we are putting a strong focus on six key areas:

- Continue to grow visitation and member numbers.
- Implement the Master Plan to deliver successful and dynamic sites.
- Strengthen conservation and education outcomes.
- Build the “Zoo community” beyond our gates.
- Strengthen staff engagement, health and development.
- Advance our financial goals by diversifying our income streams and investing in the future.

Our strengthened focus on financial rigour, measurement and reporting against performance and increased effort to offer diverse visitor experiences continue to have positive results. The Board is excited by the opportunities ahead. We want to create new memories for future generations and look forward to working with our supporters and partners to deliver this Plan.



David Sanders
President, RZSSA



Elaine Bensted
Chief Executive, Zoos SA

Introduction

Zoos SA is a long-established

and successful organisation that is an integral part of South Australia. Since Adelaide Zoo opened to the public in 1883, six generations of South Australians have passed through our gates.

It is a not-for-profit, membership-based society dedicated to biodiversity conservation with over 30,000 members.

Our Mission

Zoos SA is a charitable conservation society

that exists to save species from extinction and to connect people with nature.

Our 20-year Vision

Our vision is to lead

and achieve long-term conservation change through our internationally renowned sites, programs and people.

Our Unique Assets

Our Zoos

Adelaide Zoo

Adelaide Zoo is the second oldest zoo in Australia and its style is a unique and intimate blend of old and new. Located on the fringe of the City of Adelaide the zoo retains many of its original architectural features, making it both an interesting place to visit and an important part of South Australia's heritage.¹

Originally constructed on six and a half hectares and now occupying eight hectares, the zoo is home to more than 260 species of exotic and native mammals, birds, reptiles and fish contributing to both national and international breeding efforts. Exhibited in beautiful botanic surroundings, Adelaide Zoo is a unique city oasis.

It also benefits from its proximity to the Adelaide Botanic Gardens, University of Adelaide and SA Museum. Adelaide Zoo has grown into a major visitor attraction for locals and tourists with close to 400,000 visitors a year.

Monarto Zoo

Located 70km east of Adelaide, Monarto Zoo is an open-range zoo covering around 1500 hectares. It contains large areas of native Australian habitat and plays a major role nationally and internationally in breeding programs for threatened species.

With a unique feeling of space, it offers visitors an unparalleled display of African and Asian animals in an open-range safari setting. Since opening in 1993, it has grown into a major tourist attraction for both the Murray and Mallee region and the State, with more than 120,000 visitors a year.

¹ Five structures within Adelaide Zoo are now listed on the Register of State Heritage Items and the City of Adelaide's Register of Heritage Items.

The Test of Time...

The Royal Zoological Society of South Australia Inc. (RZSSA) was established in 1878 and has responsibility for Adelaide and Monarto Zoos, collectively known as Zoos South Australia or Zoos SA.

Adelaide Zoo is the only major metropolitan zoo in Australia to be owned and operated by a not-for-profit organisation.

The RZSSA is governed by the Royal Zoological Society of South Australia Inc Constitution (as last amended 31 May 2012) which states that:

The aim of the Society is to assist the conservation of the natural diversity of life on Earth.

The objectives of the Society, as set out in its Rules of Association, cover:

- *Conservation education*
- *Animal management*
- *Research*
- *Recreation*
- *Resource management*
- *Encouraging membership*

Executive Summary

Zoos SA

is a not-for-profit charity and membership-based society dedicated to species conservation with over 30,000 members.

Zoos SA owns and operates Adelaide and Monarto Zoos. Adelaide Zoo is the largest pay-to-enter tourist attraction in South Australia.

Complementing Zoos SA's Strategic Plan 2012-2017, this Business Plan positions the organisation to provide a stable financial base to work towards our goals. It sets out a responsible and effective approach for the next five years, with a particular focus on detailed actions for 2015-16.

The core elements of our strategy going forward as budgeted in the plan are to:

- Implement priority projects under the new Master Plan, including Nature's Playground at Adelaide Zoo.
- Continue to engage members and visitors through a well-honed calendar of marketing campaigns, events and on site presentations to drive growth in admission volume at Adelaide Zoo by 6.9% and 3.1% at Monarto, building on the gains made in recent years.
- Increase on-site cross selling, membership sales and retail opportunities. There is a modest target to grow the average rate of spend per visitor.
- Continue to promote Zoos SA as a conservation charity to our supporters and the public.
- Continue a steady growth in memberships and strengthen our relationship with members through the life-cycle model, with a particular focus on individual giving.
- Review admission ticket prices annually in line with the tourism year to accommodate CPI and other rising costs.
- Strengthen our online presence and diversify opportunities to drive online purchases, offers and bookings.
- Continue to identify efficiencies through improved procurement practices, sustainability measures and a review of key expenditure.
- Leverage our effective conservation and education activities to attract grant, donor and philanthropic support.

- Maintain a strong commitment to fundraising, our bequest program, corporate sponsorship activities and our relationship with government with a particular focus on sourcing funds to commence new capital investment identified in the Master Plan.
- Invest in capital improvements with a focus on:
 - Accreditation and legislative requirements.
 - Exhibit and experience upgrades identified through exhibit audits and master planning.
 - Investments to upgrade ICT systems and infrastructure.
 - Maintenance of existing assets and infrastructure.
 - Priority sustainability initiatives aimed at cost recovery.

The following are elements of our approach which are not clearly identified in budget terms but are targets to gain business improvements over the next 12 months:

- Develop project specifications and proposals for priority projects identified in the Master Plan.
- Showcase professional achievements through specific scientific publications, conference presentations and media exposure.
- Implement recommendations associated with the completion of the conservation and education program reviews.
- Utilise the digital platforms now online to further engage with our members and the community.
- Foster relationships with other zoos, conservation-based organisations and agencies to explore opportunities to collaborate on conservation, breeding and education programs.
- Undertake land and pest management at Monarto to improve outcomes for native species, soil and pasture condition subject to grant and sponsorship investment.
- Undertake species selection and exhibit audits to identify ways we can improve their value and suitability.
- Respond to opportunities that arise through ambassador breeding events such as Giant Panda and Chimpanzee.
- Develop an organisation-wide focus on customer service through a charter, training, collaboration with caterers and feedback systems.
- Strengthen staff engagement, development and wellbeing through a focus on training, performance development planning, effective internal communication and organisational culture.
- Progress roll out of organisational policy, procedure, compliance and risk management frameworks.

Our Business

Our Strategic Plan

As set out in Zoos SA's Strategic Plan 2012-2017, the organisation has four primary goals and a series of broad strategies to achieve them. This Business Plan builds on this framework; the relationship between the Strategic Plan and Business Plan is shown below:

Strategic Plan

Business Plan



Review and Improvement

Zoos SA's Business Plan

will be reviewed annually as a rolling five year plan.

Review will allow changing external factors, such as business climate, opportunities and risks, to be taken into account. It will also enable Zoos SA to continually build on progress during the previous year and, if necessary, adapt its approach.

Our Values

Zoos SA is guided by a set of values to which it aspires within all parts of the organisation and across all its business interactions, operations and dealings. These are:

Passion

We inspire and influence through our worthwhile work and recognise success.

Effectiveness

We focus on clearly defined shared goals and support people to achieve them.

Innovation

We seek creative ways to achieve goals and promote a culture of learning and improving.

Integrity

We are guided by our values and deliver on our promises.

Respect

We respect individual's values and encourage a culture of collaboration, listening and trust.



Our Four Goals

I Saving Species

Zoos are uniquely placed to aid the conservation of species.

We have the capacity to hold and breed animals, undertake wildlife and husbandry research, protect species in the wild through conservation programs and campaigns, educate and connect people with the vitality of nature and their own impacts, communicate environmental messages and fundraise to support much needed conservation activities. Zoos are visited by millions of people worldwide every year including visitors with little or no background in species conservation and are regarded as important and trusted sources of information on these issues.

Nearly one quarter of the world's mammal species, one third of the world's amphibian species and one-eighth of the world's bird species are known to be threatened or extinct. It is a familiar story in Australia and our conservation work has never been more important.

Zoos SA participates in a wide range of conservation projects both within Australia and internationally. Our activities contribute to safeguarding species in the face of key global threats to species including habitat loss, wildlife trade and use, invasive species, and human disturbance such as altered fire regimes and climate change.

Our Conservation Directions document identifies three focus regions for our work:

- **Our Backyard:** Conserving our State's threatened native species and ecosystems.
- **Our Region:** Conserving threatened species beyond South Australia in Australasia.
- **Our Planet:** Contributing to international conservation efforts.

The document outlines the framework we apply to prioritising, supporting and communicating our conservation activities. It closely aligns our conservation work to our Strategic Plan and identifies a series of operational criteria for selecting effective projects. A list of priority species conservation initiatives (backyard and regional projects) and conservation partnerships (regional and international projects) was developed in 2014/15. This list will guide our efforts and investment until 2017 when our Strategic Plan is finalised.

In addition to projects identified within the framework, Zoos SA contributes to regional and international breeding programs for a number of native and international threatened species. We contribute to Australasian Species and Global Species Management Plans for 12 species and important wildlife health research.

Our conservation projects are funded predominately through sponsorship, grants, project-based fundraising and Zoos SA's Conservation Fund. The Fund is made up from donations and Zoos SA's 10% commitment of income from Behind-the-Scenes Animal Experiences run on site at Monarto and Adelaide Zoos.



2 Connecting People with Nature

Zoos provide a great opportunity

for people to learn about and connect with animals and their habitats which they may never otherwise see. In particular, zoos may be the only chance to see some species up close - a very different experience to watching them on television.

In an increasingly urbanised world, zoos can be an oasis where people can get in contact with nature through multisensory experiences; sight, smell, sound, as well as hands-on involvement. As electronic media and technology is becoming increasingly prevalent in people's everyday life, zoos provide a unique window into the natural world, advocating for wildlife and the environment.

To reflect the importance of connecting children with nature, Zoos SA will deliver the Nature's Playground precinct as one of its first developments under the new Master Plan. This area will encourage a love of nature by giving children the chance to really connect with nature by providing areas for children to play with water, sand, grass, trees and animals. This won't be a traditional playground, but one where visitors can explore different habitats, play at heights with aerial walkways and ropes to explore the tree tops and look out over the zoo, the river and the city scape.

Zoos are places where people can experience changing seasons, witness growth, change, births and the cycles of life. In zoos, people learn about themselves and about the impact of individual and collective decisions on the lives of those around them. Zoos are places where people can be inspired by animal ambassadors who provide a connection, enabling people to learn about the challenges facing the species and information about what they can do to help.

Zoos SA understands that the best way to rekindle this connection is to focus on what we love about nature. To deliver our Mission Zoos SA has developed a series of conservation messages. These messages were developed to align with our animal collection, conservation activities, key global threats to species, and our "Love not Loss" philosophy, and linked to simple calls to act that people can take away and apply in their daily lives. Clear and concise conservation calls to act will be developed across both sites to provide opportunities for our visitors and supporters to learn what they can do to help save species and live more sustainably.

These calls to act will be implemented across all elements of the zoo including the design and delivery of quality learning opportunities. From family day visits with zookeeper presentations, youth participation activities, volunteer led tours, nature theatre presentations, off-site visits to community and school groups by the Zoomobile and connecting conservation networks, Zoos SA is actively empowering people to take action for conservation.

Taking part in a Zoos SA education program, be it self-guided or led by a professional zoo teacher, has been part of growing up for our State's children for nearly half a century and continues to be a vital part of South Australian life.

3 Working Ethically and Sustainably

As leaders in wildlife conservation and animal care, zoos are in a unique position to showcase environmental sustainability and inspire our visitors to take action in their own lives.

This means adopting high welfare standards for the animals we look after, managing our inputs and waste to lighten our environmental footprint and supporting ethical businesses through our purchasing and service arrangements.



4 Building a Sound Business

This goal is essential

to Zoos SA's business and provides the critical foundation to underpin the delivery of our other goals.

The actions under this goal underpin the well-being and productivity of our people, partnerships, governance, sites and business model which are all recognised as critical factors to the success of our Strategic Plan.

The Zoos SA People Plan 2014-2017 outlines a clear approach for Zoos SA to work with our staff to develop our organisation to be the best it can be. We want to attract and retain the right people and provide training and development opportunities to foster high achievement across both individuals and within teams. We want to have staff that share our values and will work with us to achieve our vision. We aim for high staff satisfaction, a safe workplace and high staff productivity.

Risk management practices have been improved and will continue to receive focus through 2015-16. This includes detailed legislative compliance monitoring in our complex operating environment.

Formal reporting against the Business Plan is provided to the Board, State Government and our staff. This will continue each quarter. Key Performance Indicators have also been prepared against the Strategic Plan.

Cooperation with Government

While the Society is a non-government incorporated association it has always valued its relationship with State and Federal Government. The Society also values working with government agencies to effectively deliver its conservation, tourism and education programs.

The Society relies on an annual State Government Grant to assist with funding its operations. Regular reports are provided to the Government regarding our financial performance and our progress against the Business Plan. An agreement is in place between Zoos SA and the State Government setting out the terms for financial management. We will continue to hold discussions and seek grant funding from Governments (local, state and commonwealth) to assist with the implementation of our Master Plan. Zoos SA also has a Funding Agreement with Westpac and have made repayments to reduce our loan over the last 12 months.

Yearly Priorities

Yearly Priorities

Zoos SA has identified yearly priority action areas over the next five years to focus efforts and resources, as well as clarify the organisation's position both internally to staff and volunteers, and externally to supporters and interest groups.

As Zoos SA consolidates the financial and operational gains it has already made, the focus is on the delivery of its core goals under the Strategic Plan and the long term roll out of our Master Plan.

2015-16

With the Master Plan

and associated site, project and collection plans in place, more strategic capital projects will be targeted for implementation.

This year will see us commence implementation of the Zoos SA Master Plan, with a focus on projects identified in the first five years of developments. Integrating Environmental Sustainable Design criteria into project planning and implementation will be a key focus.

Financial sustainability will remain critical, with a focus on continuing to build the revenue gains we have made to date, to grow admission numbers at both sites and foster and build our supporter base to diversify our funding streams. This will include a greater focus on individual giving.

We will continue to promote our status as a conservation charity by communicating our conservation messages and achievements to support admissions and events, project work and public calls to act. Our conservation programs and key messages will continue to be promoted in line with our Conservation Directions framework.

With the development of the new strategy for education, Zoos SA will focus on its roll out through education institutions and wider community groups. On top of the work done to

date, improving access opportunities, promoting the philosophy of nature play, strengthening links between education, conservation and presentation activities, and the use of suitable and engaging technologies.

Recognising that the skills and commitment of our people underpin our success, staff development and the health and engagement of our staff and volunteers will remain a priority.

The important review of our Strategic Plan will commence.

**Nature's Playground
& Aussie Icons**

Master Plan Concept
Phillips / Pilkington Architects
Wax Design



2016-17

We will continue to focus

on growing and providing quality service to Zoos SA's supporter base to facilitate funds for future operations and capital projects.

The rollout of the priorities under our Conservation Directions will continue, with a goal to increase investment in field conservation over the next two years. Opportunities for targeted marketing and fundraising activities, linkages to new exhibits and precincts and strengthened conservation messaging remain a priority.

Fundraising and improving visitor facilities at both sites under the Master Plan will continue to be a focus. Use of technology in the way we conduct our operations and to enhance visitor experiences, and how this can link to our new exhibits and precincts will continue to be explored.

Ongoing review of our operations will ensure the organisation is cohesive, cost effective and outcomes focused, and its day-to-day operations are clearly supporting the principles laid out in the Strategic Plan.

The review of the Zoos SA Strategic Plan will be completed and implementation will commence.

2017-18

With more stable financial operations, a stronger fundraising presence, clear direction provided by the Master Plan and Conservation Directions, targeted communication and the Strategic Plan in place, Zoos SA will continue to build our capacity to support conservation activities at our properties, in the field and through international relationships. This will include a focus on improving the international programs we support by building the capacity of our partners for field conservation.

We will explore ways to maximise returns from each visitor, through improved retail opportunities and better engagement, with the aim to move visitors to become long-term supporters. Through investments in technology and social media we will engage new audiences in our conservation and fundraising campaigns.

2018-19 | 2019-20

With a strong foundation in place we will focus on working with our stakeholders and supporters to strengthen the organisation's future years. We will commence project and site planning for precincts beyond the first five years of the Master Plan and explore opportunities for Zoos SA to become Carbon Neutral.

Infrastructure Investment

Ongoing development of all Zoos SA sites is critical to ensure that:

- Ageing infrastructure is upgraded/replaced as it reaches the end of its useful life.
- Animal exhibits meet contemporary standards to support animal welfare and conservation outcomes and visitor expectations.
- Improvements are made to comply with changing workplace safety and environmental standards and efficiencies.
- Exhibits are enhanced or newly created to engage the public, drive visitation and generate alternative revenue.
- Information and communication technologies (ICT) are used to improve the overall experience for visitors and staff.

Capital expenditure is considered to be of two types;

“maintenance capital” and “new capital”. New capital is for the creation of new infrastructure that changes the way animals are presented to the public or creates a new facility for staff or visitors. All other capital is considered maintenance capital.

There is a significant need to upgrade or replace infrastructure, which has been detailed in the Master Plan. There will also be an ongoing need for new capital to keep pace with changing expectations and continually improve the zoo experience.

It is typical for zoos not to be able to generate sufficient funds from operations alone to provide for all necessary infrastructure investment; this is the case also for Zoos SA. At both properties, grant funding, corporate and private support will be sought, as well as State and Federal Government assistance to develop specific infrastructure or service projects of mutual interest.

Debt Reduction Strategy

During 2014-15

Zoos SA made principal payments against our Westpac loan and reduced it to \$6.5m. The forward five year budget plan outlines continuing principal repayments.

The Business Plan, released in July 2012, detailed a plan to sell the Wild Africa land at Monarto in the 2013-14 year and apply the proceeds to reduction of the debt. During 2014-15, it was agreed with Westpac and the State Government that the land would not be sold and could be retained for future development.

In preparing our business plan for future years, we have developed a forward budget that enables annual debt payments against our loan from within our annual operating budget, including \$200k in the 2015-16 financial year. The debt repayment schedule will continue to be discussed with Westpac and the State Government throughout the period addressed by this Plan.



Annual Budget

Royal Zoological Society of SA Inc.
2015-16 Annual Budget

The 2015-16 Annual Budget proposes total revenue of \$24.1M, with an operating surplus before interest and depreciation of \$2.8M and surplus of \$61K once depreciation and interest expenses are included. The 2015-16 budget and comparisons to the 2014-15 forecast can be seen in the following table.

INCOME	2015-16 Budget \$000	2014-15 Forecast \$000	% Variance to 15-16 Budget
Admissions	7,677	7,029	9%
Education	842	803	5%
Membership	2,758	2,381	16%
Retail	1,546	1,358	14%
Catering/Venue Hire	787	861	-9%
Events & Visitor Experiences	880	820	7%
Other	313	367	-25%
Grants - Government	5,450	5,365	2%
Fundraising	2,387	1,650	45%
Conservation	1,428	1,643	-13%
TOTAL INCOME	24,067	22,278	8%
EXPENDITURE			
Salaries, Wages & On-Costs	12,793	12,191	-5%
Other Expenditure	8,428	8,218	-3%
TOTAL EXPENDITURE	21,221	20,409	-4%
TOTAL EBITDA	2,845	1,869	
Depreciation	2,440	2,419	-1%
Interest Expenses	345	372	7%
SURPLUS/DEFICIT	61	-923	
EXTRAORDINARY ITEMS			
Bequests	0	1,532	-100%
Warrawong	0	724	-100%
TOTAL EXTRAORDINARY ITEMS	0	2,255	-100%
TOTAL SURPLUS/DEFICIT	61	1,332	



Photographic Credits

- 1 African Lions, MZ, *David Mattner*
- 9 Volunteers, AZ, *David Mattner*
- 9 Macaw Freeflight Presentation, AZ, *David Mattner*
- 9 Giraffe Encounter, MZ, *David Mattner*
- 11 SE Red-tailed Black-Cockatoo, *Ákos Lumnitzner*
- 11 Tasmanian Devil, MZ, *David Mattner*
- 11 Warru (Black-footed Rock Wallaby), MZ, *David Mattner*
- 11 Western Swamp Tortoise, AZ, *David Mattner*
- 13 Zen Solar Panels, MZ, *David Mattner*
- 16 Nature's Playground & Aussie Icons, Zoos SA Master Plan, *Phillips/Pilkington Architects and Wax Design*
- 19 White Rhino Encounter, MZ, *David Mattner*
- 21 Przewalski's Horses, MZ, *David Mattner*
- 21 South American Coati, AZ, *David Mattner*
- 21 Cheetah cub, MZ, *David Mattner*
- 21 Southern Cassowary, AZ, *David Mattner*
- 21 Native Animal Encounter, AZ, *David Mattner*

