
NOT FOR DISTRIBUTION TO THE MEDIA OR DISTRIBUTION OUTSIDE THE INDUSTRY

MINUTES OF NZKGI's ANNUAL GENERAL MEETING

Held at ASB Arena, Tauranga

26 July 2018

- Present:** Doug Brown (Chair), Mark Mayston, Andre Hickson, Mike Smith, Tony Leicester, Paul Thomas, Don Kemp, Bruce Cameron, Paul Jones, Florence Trout, Ross Bawden, Rongo Puho, Nathan Flowerday, Helen Allan, Haki McRoberts, Paul Edkins, Carol Craig, Dermott Malley, Tammy Hill, Colin Limmer, Matt Moore, Debbie Robinson, Mike Smith, Chris Anstis, Neil Trebilco, John Cook, Dave Tanner, Sean Carnachan, Craig Pooley, Peter Ombler, Sally Gardiner, Adrian Gault, Mark Gardiner, Robyn Gardiner, Debbie Oakley, Whetu Rolleston, Peter McBride, John Bourke, Marcus Wilkins, Richard Pentreath, Geoff Roderick, James Trevelyan, Michael Baillie, Hawaiki Edward, Archie Waitoa, Materora Bryan, Ashlee Rose Bell, Jessica Smith, Doug, Phelps, Jill Phelps, Roimata Kirikiri, Homauna Tapsell, Jamie Wheeler, Pita Tipene, Lynn Gillespie, Ian Schultz, Kelly Seymour, Karen Roache, Andy Roache, Mark Hudson, John Shipp, Emma Walker, Lance Dodd, Whetu Rolleston, Mark Bayly, Terry Newlands, Colleen Fookes, Glen Tootill, Stephen Butler, Murray Cerwell, Barry O'Neil, Don Heslop, Mike Butcher, Steve Fisher, Tom Davies, Colin Olesen, Ruth Lee, Ross Bawden, Laurie Barclay, Tiaki Hunia
- In Attendance:** Nikki Johnson (CEO), Jacqui Craig, Mike Murphy, Katy McGinity, Tom MacMorran, Warwick Lampp, Amy Porter, Stu Hutchings, Sue Groenewald, Geoff Morgan, Neil Malcon, Julian Raine, Peter Mourits, David Darcy, Linda Peacock, Ngaria Rolleston
- Apologies:** Andrew Dawson, Phil Jones, Simon Cook, Monty Spencer, Neil Te Kani

1. APOLOGIES, PREVIOUS MINUTES AND MATTERS ARISING

Apologies

Resolution: The meeting accepted apologies from Andrew Dawson, Phil Jones, Simon Cook, Neil Te Kani, Monty Spencer.

Moved: Andre Hickson/Debbie Oakley

Carried Unanimously

Confirmation of Previous Minutes

Resolution: The minutes of the Annual General Meeting held on Thursday 24 August 2017 be approved as a true and correct record.

Moved: Tony Leicester/Sally Gardiner

Carried Unanimously

Matters Arising from the minutes

There were no matters arising.

2. ANNUAL REPORT INCORPORATING THE CHAIRMAN AND CEO REPORTS

The reports circulated within the Annual Report were taken as read.

The Chairman then spoke to his report drawing attention to the following points:

- 2017/2018 saw a lift in SunGold and HW volumes recovered from previous year.
- Onshore supply chain faced significant challenges to pick, pack and deliver increased volumes.
- Global demand for SunGold creating rapid change in our industry and driving the recovery of land values, licence and price and as a result Zespri share price. This however also drives increased levels of indebtedness and risk.
- Seasonal needs analysis and labour demand model completed by NZKGI along with independent audit of grower pools to ensure allocation of costs between pools was accurate. No material areas requiring adjustment.
- Enduring funding mechanism resulted in 4.1 million dollars less in commission than last year and receiving 3 cents a tray more in loyalty payments. The agreement also sees Zespri's commission drop from 7.75 to 7.5 and falling to 7.25 the following year. This is a key outcome of KISP process.
- Safeguarding the SPE and unity of industry is our greatest strength in face of global competition and biosecurity threats.

The CEO spoke to her report drawing attention to the following points:

- Strong team of skilled staff resulting in outputs for growers.
- Performance and supply portfolio and communication portfolios progress has been clear and will continue to grow.
- External relations portfolio extended to include health and safety as well as water policy.
- Labour and education portfolios continue to provide strong leadership to industry.
- Financial management has been prudent with performance exceeding budget. Growers levy funds have been maximised.
- Focus on next year will be representing growers interest in key areas of labour and water.
- Further advancements in monitoring industry performance through KPI's of Zespri which will be presented to growers in the next few weeks.
- Communication initiatives solidifying NZKGI's role within the industry.
- Input from growers critical please keep communicating with us so that NZKGI can advocate on your behalf.

Resolution: That the Annual Report Incorporating the Chairman and Chief Executive Reports be approved.

Moved: Mark Gardiner/Sean Carnachan
Carried unanimously

3. FINANCIAL STATEMENTS

The previous financial year's statements included within the Annual Report were presented to the meeting by CEO Nikki Johnson.

The organisation achieved a better result than budgeted with a surplus close to \$4,000 against budgeted loss of \$243,000. This small surplus has been incorporated into retained earnings leaving the organisation \$953,000 at the year end. This fits within the retained earnings policy and is important to help fund a small budgeted loss for the 2018 year. NZKGI is budgeting to have retained earnings of \$878,000 at the end of this financial year.

There was one question from the floor:

- An AGM attendee asked about the retained earnings policy. The CEO confirmed that the retained earnings policy approved by Forum in 2017 allows for retained earnings up to 12 months of operating costs and the current level is below this threshold.

Resolution: That NZKGI's Financial Statements for the period ending 31 December 2017 be approved.

Moved: Mark Mayston/Julian Raine
Carried unanimously

4. 2019 BUDGET

The 2019 budget circulated with the Annual Report was presented to the meeting by CEO Nikki Johnson as follows:

- The budgeted income is based on fruit volume of 148 million trays. Costs reduced to keep the position as close as possible to neutral but an overall small deficit of just over \$9,000 is budgeted.
- Current income means NZKGI are unable to extend the scope of the work programme any further.
- Alongside Executive Committee the CEO is committed to ensuring the best return on investment for grower levies.
- AGM Attendees were advised that NZKGI's Executive Committee and Forum have reviewed this budget and recommend that members approve it.

Resolution: That NZKGI's Budget for the year ending 31 December 2019 be approved.

Moved: Andre Hickson/Barry O'Neill
Carried unanimously

5. NOTICE OF MOTION

The CEO addressed the meeting to briefly summarise the process undertaken to consider the changes to the NZKGI rules which began in February 2018, as outlined below:

- The rule change proposals were developed during extensive discussions with Forum over an extended period of time to address concerns around the effectiveness of decision making.
- Forum agreed by majority (22 in support and 3 against) to propose a rule change to provide the Executive Committee the same delegated authority as ISG/IAC (10c/tray).
- After the rule changes had been finalised, a proposal to change the wording of the rule was received but was unable to be actioned as the rule changes had been finalised and were in the printing process.

There was significant discussion:

- Colin Oleson addressed the forum and spoke against the motion presented, in particular strongly objecting to Rule 10.6
 - Mr. Olesen proposed an amendment to the motion to exclude clause 10.6 from the rule change Motion, Terry Newlands, Waihi Beach seconded this motion.
 - The CEO advised that due to the majority of voting occurring electronically and via post in advance of the meeting no changes to the resolution were able to be accepted from the floor.
 - A point of order was then made by Mr. Olesen who suggested that the meeting was not governed by electronics.
- Dermott Malley addressed the meeting in support of the Motion.
- Marcus Wilkins addressed the meeting and supported Mr Olesen's amendment and challenged the statement of the CEO that the motion could not be amended.
- Peter Ombler addressed the meeting and recommended caution in progressing the rule change
- Don Heslop addressed the meeting in support of Mr Olesen's amendment and noted that he believed Rule 10.6 would diminish NZKGI's ability to be a grower representative.
- John Bourke suggested that the motion be withdrawn or modified.
- Helen Allen, requested clarification that the readership of the Weekly Update was 50% and noted that any grower has the opportunity to attend Forum and discuss any concerns at any time.

The CEO addressed the meeting and confirmed that over 300 votes had already been received and that the membership have had three weeks to consider this motion and it could not be amended.

Mr. Olesen proposed a procedural motion that the motion lie on the table which was seconded by Don Heslop who suggested another vote for all growers be carried out.

A recess to the meeting was called at 12.07pm to allow legal advice to be sought.

The meeting recommenced at 12.36pm.

The CEO addressed the meeting and advised that legal advice confirmed that the meeting was unable to accept any motions from the floor or amendments to pre-circulated motions.

The Chairman addressed the meeting and advised that the Executive Committee had decided to withdraw the motion.

Motion withdrawn.

6. MEMBER FORUM

There were several questions from the Question from the floor:

- Pita Tipene, Bay of Islands Maori Kiwifruit Grower Executive Committee member applauded the efforts of the Chairman in addressing the AGM in Maori. He then referred to NZKGI's diversity reporting in the Annual Report and asked how NZKGI recognises Maori as a distinct group within the industry. The Chairman and CEO confirmed NZKGI's support of the establishment of the Maori Kiwifruit Growers Forum and that NZKGI supported an increase in representation of Maori in the NZKGI Forum. It was also confirmed that NZKGI continue the support of education initiatives for Maori and as the journey continues other areas will be identified.
- Marcus Wilkins, Te Puke grower, asked about the process for the Zespri producer vote. The CEO confirmed that this is a question for both KNZ and Zespri and that both these organisations are working through the process. NZKGI are not directly responsible for this process.

The Chairman thanked attendees for attending the meeting.

The Meeting closed at 12.46pm

Minutes Confirmed

Chairman

Date