

NOT FOR DISTRIBUTION TO THE MEDIA OR DISTRIBUTION OUTSIDE THE INDUSTRY

MINUTES OF NZKGI's ANNUAL GENERAL MEETING

Held via Teams Meeting
18th August 2020

Present: Doug Brown (Chair), Mark Mayston, Dave Tanner, Craig Thompson, Simon Cook, John Bourke, Debbie Oakley, Karen Pickford, Sally Gardiner, Barry O'Neil, Tony Leicester, Mark Gardiner, Whetu Rolleston, Dave Tanner, Ross Bawden, Amanda Flowerday, Richard Day, Ruth Underwood, Linda Peacock, Robert Humphries, Phil Allison, Dermott Malley, Richard Pentreath, John Knowles, Nicholas Woolsey, Chris Anstis, Martina Balasova, Karen, Ian, Phil Jones, Mike Smith, Tom Davies, Mike Chapman, Steve Butler, James Trevelyan, Paul Thomas, Sean Carnachan, Helen Allan, Tammy Hill, Anaru Timutimu, Kimiora Rawiri, Warren Young, Jessica Smith, Peter Blair, Rikki James, Kiriwaitangi Rei, Scott St George, Murray Judd, Dave Corin

In Attendance: Nikki Johnson, Tanya Vickers; Mike Murphy, Sarah Cameron, Gavin Stagg, Margot Cotter, Di Holloway, Jacqui Craig, Monique Finlay, Matt Dyck, Stu Hutchings, Lisa Gibbison,

Apologies: John Cook

1. APOLOGIES, PREVIOUS MINUTES AND MATTERS ARISING

Apologies

Resolution: The meeting accepted apologies from John Cook

Moved: Mark Mayston/John Bourke

Carried Unanimously

2. CONFIRMATION OF PREVIOUS MINUTES

Resolution: The minutes of the Annual General Meeting held on Wednesday 24 July 2019 be approved as a true and correct record.

Moved: Debbie Oakley/Karen Pickford

Carried by Majority (98.55%)

Matters Arising from the minutes

Nothing raised

3. 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:

- COVID-19: We will need to adapt to a “new normal”
- NZKGI working to heighten Grower awareness around the importance of compliance
- Our communication strength in adverse events was demonstrated
- Our Labour Attraction strategy has made seasonal work more appealing and accessible
- We were instrumental in creating the Kiwifruit Industry Water Strategy
- Growers will play a pivotal role in delivering success of this growth strategy
- It is Growers who own this industry and everyone else is a service provider

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

- We have expanded our activities and outputs in recent years
- Thank you to Growers for their work during this exceptional harvest
- NZKGI is a key communicator and contributor in industry matters
- NZKGI has a new Vision: Innovative Leadership - Succeeding through Change
- Staff numbers have increased as the volume of our activities have expanded
- Labour and Education Manager role will impact on finances
- NZKGI has grown in the 26 years since it was formed

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

Moved: Sally Gardiner / Barry O’Neil

Carried by Majority (96.55%)

4. FINANCIAL STATEMENTS

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

- The organization finished the year with a net operating surplus of \$49,350. This was an excellent performance against a budgeted loss of \$9,722. The surplus was generated from lower than budgeted expenses across most portfolios. There was contingency funding allocated for some portfolio’s that was not required and project funding that was not utilised. Please note that the staff costs for two staff are largely offset by Government funding.
- The surplus has been incorporated into retained earnings leaving the organization with \$1.255 million at the year end. NZKGI operates a retained earnings policy that aims to retain funding for up to 12 months of operating costs, at the end of 2019 we were at 80% of this level.
- I am pleased to present a positive financial result for 2019.

Resolution: That NZKGI’s Financial Statements for the period ending 31 December 2019 be approved.

Moved: Tony Leicester / Mark Gardiner

Carried by Majority (96.55%)

5. 2021 BUDGET

The 2021 budget circulated with the Annual Report was presented to the meeting by CEO Nikki Johnson as follows:

The income budget is based on fruit volume of 162 million trays. You will see that an overall deficit of \$145,288 is budgeted. The deficit is largely related to funding in the Labour and Education portfolio. Funding for the Labour Coordinator role expires at the end of 2020 and while we are seeking continued Government support for this role, this has not yet been secured. There is strong support from Government and Industry for this role to continue and we have included funding within the NZKGI budget as a contingency if external funding is not secured.

The NZKGI Forum has also approved funding for the appointment of a Workforce Development Manager to provide strategic direction and management of the Labour and Education Portfolio. This position is directed funded by grower levies and is the main reason for the budget deficit.

The 2021 budget also includes funding for continuation of the Labour Attraction Strategy which has now been undertaken for two harvests and is well supported by growers, industry and Government.

Funding of the deficit will be provided from retained earnings for 2021, leaving the organisation with retained earnings at the end of the year of \$ 1,082,436. This means the organisation will have approximately 71% of the 12-month retained earnings policy. There will need to be consideration of how NZKGI's activities are funded into the future. The Executive Committee and Forum members are keen to hear your views over the next few months.

Resolution: That NZKGI's Budget for the year ending 31 December 2021 be approved.

Moved: Whetu Rolleston/Simon Cook
Carried by Majority (84.21%)

6. SET THE REMUNERATION OF FORUM REPRESENTATIVES

In 2019, the AGM approved a rule change so that remuneration is set by the AGM. Previously it was set by the Forum. The Terms of Reference was also changed so that a committee of two Growers (non-Forum members) and an Independent Member form the Committee. A report from the Remuneration Committee was available on NZKGI's website or via the NZKGI office. I will take the report as having been read. The Chairman introduced the notice of motion.

Resolution: Pursuant to Rules 12 and 17 of the Rules, that the recommendations of the Remuneration Committee be approved with effect from 1 January 2021.

Moved: John Bourke/Dave Tanner
Carried by Majority (80.59%)

Discussion

John Bourke questioned the likelihood of obtaining funding for the Labour Coordinator role. Nikki advised that given the current situation with Covid and the lack of RSE's that will be able to travel for the 2021 season, the Government should still be wanting to support/fund the Labour Co-ordinators role to attract more locals to the industry.

The original funding for the Labour Co-ordinators role came from The Provincial Growth Fund which is no longer providing funding. NZKGI has support from Local MP's, both National & Labour to continue this role. Nikki has been in discussion with the Ministry of Social Development and the feedback has been positive. Funding does not run out till the end of 2020 so still time to lock the funding in.

Doug thanked the Remuneration Committee for their work

7. RULE CHANGE RESOLUTIONS

6a) Grower definition

The Chairman introduced the notice of motion.

Resolution: Pursuant to Rule 12 and 17 of the Rules, the NZKGI Forum moves that Rules 4 & 7.2 be approved as marked up to improve the definition of a 'Grower' to allow for Trustees and Directors who may not have a financial interest in the growing entity.

Moved: Mark Mayston/Karen Pickford
Carried by Majority (94.78%)

6b) Preferential voting system for regional representatives

The Chairman introduced the notice of motion.

Resolution: Pursuant to Rule 12 and 17 of the Rules, the NZKGI Forum moves that Rule 4 & 8.5, 8.6, 8.12 be approved as marked up to change the voting basis where there is more than one regional representative to a preferential voting system so that Growers can vote for all vacancies rather than the current system which only allows a vote for only one vacancy.

Moved: Mark Mayston/Ross Bawden
Carried by Majority (97.98%)

6c) Supply Entity representation over 4%

The Chairman introduced the notice of motion.

Resolution: Pursuant to Rule 12 and 17 of the Rules, the NZKGI Forum moves that Rules 4 & 8.7 be approved as marked up to allow a group of Supply Entities to have representation where they collectively have greater than 4% supply.

Moved: Mark Mayston/Karen Pickford
Carried by Majority (89.28%)

6d) Supply Entity representative cap

The Chairman introduced the notice of motion.

Resolution: Pursuant to Rule 12 and 17 of the Rules, the NZKGI Forum moves that Rule 8.7(d) be added to cap the total number of Supply Entity representatives at 9 to resolve the existing inconsistency with Rule 8.1(b).

Moved: Mark Mayston/Tony Leicester
Carried by Majority (98.55%)

6e) Rule change process

The Chairman introduced the notice of motion.

Resolution: Pursuant to Rule 12 and 17 of the Rules, the NZKGI Forum moves that Rule 17 be approved as marked up to clarify the process for changing the rules.

Moved: Mark Mayston/Simon Cook
Carried by Majority (98.34%)

6f) Combination of schedule 1&3

The Chairman introduced the notice of motion.

Resolution: Pursuant to Rule 12 and 17 of the Rules, the NZKGI Forum moves that Schedules 1 & 3 be combined into one schedule to remove inconsistency and duplication and include all appointments made by Forum.

Moved: Mark Mayston/Sally Gardiner
Carried by Majority (98.16%)

6g) Removal of references to KNZ Board members

The Chairman introduced the notice of motion.

Resolution: Pursuant to Rule 12 and 17 of the Rules, the NZKGI Forum moves that Schedule 1 be approved as marked up to remove references to the appointment of KNZ Board members (Grower Directors are now appointed directly by Growers following changes to the Kiwifruit Regulations).

Moved: Mark Mayston/Mark Gardiner
Carried by Majority (98.21%)

6h) Minor amendments be made to other Rules and the inclusion of Rule 25

The Chairman introduced the notice of motion.

Resolution: Pursuant to Rule 12 and 17 of the Rules, the NZKGI Forum moves that various minor amendments be made to other rules as marked up and the inclusion of Rule 25 to allow for electronic means of communication and voting, removal of fax and to make minor wording changes based on legal advice

Moved: Mark Mayston/Tony Leicester

Carried by Majority (98.10%)

8. MEMBER FORUM

There were no questions.

The Chairman thanked attendees for attending the meeting.

The Meeting closed at 10.36am

Minutes Confirmed

Chairman

Date