



**MISSION STATEMENT**

**TO ADVOCATE, PROTECT AND ENHANCE THE COMMERCIAL AND POLITICAL INTERESTS OF NEW ZEALAND KIWIFRUIT GROWERS**



**VISION**

**SUCCEEDING THROUGH CHANGE**



**VALUES**

**INTEGRITY  
RESPECT  
IMPARTIAL**

**ACCOUNTABLE  
INDEPENDENT**

**MINDSET/PRINCIPLES**

**PROACTIVE  
AGILE**



NZKGI ANNUAL REPORT 2021

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**Cover image:** The cover of this annual report uses imagery created by Clemenger BBDO for the Ministry for Primary Industries Opportunity Grows Here campaign which supported NZKGI's efforts to attract seasonal workers to the 2021 harvest.

## OUR PORTFOLIOS WHAT WE DO

# NZKGI WORKS TO ADVOCATE, PROTECT AND ENHANCE THE COMMERCIAL AND POLITICAL INTERESTS OF NEW ZEALAND'S KIWIFRUIT GROWERS.



### INDUSTRY STABILITY

Through the Industry Stability portfolio, NZKGI supports the marketing structure of the Single Point of Entry (SPE) as requested by the vast majority of New Zealand kiwifruit Growers. The portfolio does this by developing strong relationships with Government, industry and international counterparts while identifying and mitigating threats.



### PERFORMANCE & SUPPLY

NZKGI monitors Zespri and industry performance to ensure the industry works in the best interests of all kiwifruit Growers. NZKGI works with all industry players to understand the operational and economic dynamics and establish and maintain important industry relationships thereby positioning NZKGI as a credible voice for effective representation of Growers.



### COMMUNICATIONS

NZKGI Communications portfolio is the voice to and for New Zealand's kiwifruit Growers. NZKGI gathers Grower views and presents them externally to give NZKGI a strong, collective representative voice. We also communicate important information to kiwifruit Growers to support the growth of a profitable and sustainable business.

### LABOUR & EDUCATION

NZKGI's Labour portfolio works to identify future seasonal labour requirements and represent the industry within working groups and to a broad range of stakeholders, including Government. This includes coordination of the Recognised Seasonal Employer scheme, advocating worker welfare and focusing on areas such as transportation and accommodation.

NZKGI's Education portfolio works to attract, retain and develop new and existing members of the industry by working with schools, training providers and industry organisations. The portfolio promotes careers in the kiwifruit industry through events and resource materials. The Young Grower competition and Future Leaders provide further career development opportunities.

### ENVIRONMENTAL & POLICY

NZKGI's Environmental & Policy portfolio supports the retention of highly productive horticulture land and maintains the right to grow. The portfolio delivers the best policy outcomes for all Growers including the protection of the environment while enabling orchard growth. The portfolio works proactively and constructively with stakeholders.

### ORGANISATION

The Organisational Management portfolio ensures the organisation is professional and well run, with maximum benefit for the levy investment received. Communication of Member responsibilities, review of rules and management of NZKGI's finances all ensure seamless advocacy and the enhancement of New Zealand kiwifruit Growers interests.





**NZKGI'S VISION, INNOVATIVE LEADERSHIP – SUCCEEDING THROUGH CHANGE, HAS BEEN WELL LIVED OVER THE LAST YEAR, AT BOTH THE GOVERNANCE AND OPERATIONAL LEVELS OF THE ORGANISATION.**

**NZKGI Chair — Mark Mayston**

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# CHAIR'S REPORT

— MARK MAYSTON —

In my first year as Chair of NZKGI I have made it clear to the NZKGI Executive Committee and Forum, as well as through my comments to Growers in industry publications, that I want to build up the engagement of representatives in our organisation.

Over the last 12 months we have already seen more engagement from our Executive committee members, providing support to staff with their grower-knowledge. Forum representatives are also rolling up their sleeves and its great to see them getting more involved in areas such as those that impact upon the industry in their region. Don't forget that Forum representatives are there to represent Growers. So get hold of them and give them your opinion so that your voice is heard.

There have also been a number of changes to the Executive and Forum this year in the organisation's representation. We have welcomed Sean Carnachan, Tammy Hill and Robert Humphries to the Executive and they, along with the other Executive members, are doing a really great job in their engagement for Growers.

At Forum we have welcomed Peter Blair as the Waihi/Coromandel representative, Nick Woolsey for Whakatāne, Tim Tietjen for Poverty Bay, Jens Liesebach for the Hawke's Bay/Lower North Island and Louise Peters as the representative for Seeka. We await further changes to both regional and supply entity representative positions at the 2021 AGM with the intended resignations of several members having been announced.

NZKGI remains accountable to our levy payers, the Growers, and we want to ensure that the value we deliver is in Growers' best interests.

Along with the increased value that representatives are delivering to Growers through their engagement, I have confidence that NZKGI is performing well in creating value for the organisations operational output,

which was reflected by Growers who undertook a performance survey within this publication's reporting period.

The feedback from Growers that we need to be even more independent from Zespri has been heard and taken on board and we will endeavour to deliver this through our portfolios. As to Grower feedback that our presence in Wellington needs to be further strengthened; we recognise the increased level of regulatory change in areas such as the RSE scheme and agrichemicals and it is critical NZKGI leads the industry in these areas for the benefit of Growers.

The operational output of NZKGI has increased in response to industry growth and regulatory change in a very dynamic environment. The need to fund important areas such as our work in labour, water, monitoring of Zespri, communications, policy reform and education are crucial for the industry to grow. While NZKGI's output has shown to increase value for Growers, the organisation has been operating at a financially unsustainable level. Accordingly, a resolution is proposed to increase the levy 1 cent, to a total of 1.1 cent at the 2021 AGM to retain the organisations current output.

NZKGI's work for Growers throughout the adverse events brought about by COVID-19 are a great illustration of the value paid for by the levy. The kiwifruit industry remains impacted on the labour front due to border closures and NZKGI has done great work in leading the whole horticultural industry to negotiate more RSE workers into our country. NZKGI, under Nikki Johnson, has built up a strong relationship with Government over the years and the benefits of this strong relationship is evident at times such as these.

I'd like to take this opportunity to thank Nikki for her service to NZKGI. Nikki joined NZKGI in April 2016 and produced a more effective and efficient voice to provide strategic leadership on a plethora of industry issues in areas such as Zespri performance reporting, labour access, compliance and regulatory change.

We have been pleased that Colin Bond has succeeded the CEO role as Nikki's replacement. Colin has an impressive track record over the past 22 years with ANZ bank, particularly in his most recent role as Regional Manager of Commercial & Agriculture. Colin brings a wide range of skills and experience to the CEO role and I am confident that he will lead NZKGI well in advocating and increasing value for Growers, building on the strong work that Nikki leaves behind.

We are also fortunate to have strong staff in our Labour & Education, External Relations, Performance, Organisation, Industry Stability and Communications portfolios. It cannot be understated that the outputs of these portfolios over the last year, which are covered in this publications reporting, are a stark illustration of how NZKGI has grown recently in the strong advocacy that the organisation provides Growers.

I thank Growers for the ongoing support of NZKGI. With the rapid growth of the industry, never before has the need for NZKGI been so important. Don't forget, this your NZKGI, so engage with your representatives. NZKGI will be there to advocate its members, being their voice in decision making and leading the industry throughout this exciting growth phase.

**NZKGI Chair — Mark Mayston**



# CHIEF EXECUTIVE OFFICER'S REPORT

COLIN BOND

I write this report in my third week as CEO of NZKGI. Therefore my commentary is based on my first impressions and is necessarily more forward looking than the traditional reflective nature of annual reports.

Thank you to the many people who have made me feel so welcome. I've enjoyed every opportunity to get out and about and meet Growers. I look forward to meeting many more of you in the months and years ahead.

I want to acknowledge and thank Nikki Johnson for the strong legacy she has left at NZKGI. NZKGI exists to advocate, protect and enhance the commercial and political interests of New Zealand kiwifruit Growers. That mission statement plays out in the portfolio approach established under Nikki's leadership. Like all good initiatives, the portfolio's pass the common sense test. As you read through the annual report I hope you too get the sense that NZKGI are focused on the areas that matter. The staff responsible take pride and ownership in delivering value to Growers through each of their work streams. So, thank you to Nikki, the staff at NZKGI and the Executive and Forum members for your ongoing hard work and dedication to the cause. We have a strong foundation, a thriving rootstock, to grow on.

Where NZKGI goes next depends on the view and needs of our Growers. Our core role as an advocacy organisation is to listen and respond to your needs.

What is obvious to me having been a Grower myself for the last 6 years (my wife Michelle and I own a small kiwifruit orchard in Te Puna) is that every season is unique. There will always be a requirement for NZKGI to advocate on your behalf on new issues that arise as a consequence of seasonal variability. Examples include early start, taste payments, fruit storage etc. These are all areas where we need to work together to find a fair way to compensate Growers.

We know labour is a key issue. It is a major input into your businesses and therefore a critical area of focus for NZKGI. You'll read later in this report about all the great work the team have been doing to advocate for more labour and help attract new people to the industry. That task has been made easier by the commitment from industry to raise wages, introduce flexible working, provide

accommodation and so on. But the labour market is tight and competition for good people is fierce. More work needs to be done and therefore it will remain a key area for NZKGI.

Every industry is dealing with the burden of increasing regulation. Whether we like it or not, meeting the requirements of legislation is an essential component of our licence to operate. NZKGI will continue to influence policy where we can. When the influencing is over we'll turn our attention to helping you understand and adapt your businesses to the changes.

Where else do we focus? Again, that decision is driven by you. I encourage you to remain engaged with NZKGI. Speak to your forum rep, read our publications and attend our roadshows.

**This is your industry.  
We represent you.  
Every voice matters.  
Onwards and upwards.**

**NZKGI CEO — Colin Bond**

# KEY PORTFOLIOS

INDUSTRY STABILITY | PERFORMANCE & SUPPLY | COMMUNICATIONS  
 EDUCATION | LABOUR | ENVIRONMENTAL & POLICY  
 ORGANISATIONAL MANAGEMENT



ABOVE: Kiwifruit industry representatives with Prime Minister Rt Hon Jacinda Ardern and Deputy Prime Minister Hon Grant Robertson at the 2021 Fieldays.

## Government Relations

NZKGI's relationship has strengthened further with central Government ministers and officials who have a direct impact on the industry.

Discussions on issues affecting Growers have been held with:

- Prime Minister  
Rt Hon Jacinda Ardern
- Finance Minister  
Hon Grant Robertson
- Biosecurity and Agriculture Minister  
Hon Damien O'Connor
- Regional Development Minister  
Hon Stuart Nash
- Employment Minister  
Hon Carmel Sepuloni
- Immigration Minister  
Hon Kris Faafoi
- Officials from Ministry of Social Development, Immigration New Zealand, Ministry for Primary Industries and Ministry of Foreign Affairs and Trade, Ministry of Business, Innovation and Employment.

## International Grower Relations Strategy

NZKGI continues to build relationships with Growers in other kiwifruit producing countries. The 2020 International Kiwifruit Organization (IKO) was the first fully virtual event. This was an opportunity to meet with representatives from the Northern Hemisphere to discuss global supply as well as fruit production within the Northern Hemisphere, as well as how Growers are dealing with the COVID-19 epidemic. This was also a chance to meet with representatives to discuss changes to the future structure of IKO, as well as services that is delivered to members.

# PERFORMANCE & SUPPLY



*Damaged vines and fruit from the Boxing Day adverse event in Motueka resulting in a hail policy review.*



NZKGI monitors Zespri and industry performance to ensure the industry works in the best interests of all kiwifruit Growers. NZKGI works with all industry players to understand the operational and economic dynamics and establish and maintain important industry relationships thereby positioning NZKGI as a credible voice for effective representation of Growers.

## China SunGold

NZKGI has been regularly engaging with Zespri to understand the extent of the illegal China Gold 3 plantings and about the situation in China to be able to ask the questions that all Growers need to hear.

NZKGI's role in the producer vote was to make sure that Growers are informed of the risks and opportunities associated with the trial to be able to make their own decision with independent information. As a part of this, NZKGI produced podcasts from experts on various aspects of the China trial asking questions from a Grower perspective.

## 2021 Hail Insurance Policy Review

The Motueka 2020 Boxing Day hail event highlighted that the hail insurance policy had not been increasing in line with increases in Gold 3 production over the years. NZKGI surveyed Growers to get their views on what a fair hail insurance policy should look like. With these results, the NZKGI Forum formed a set of principles to provide guidance to the Hail Committee to produce a more enduring hail insurance policy that will adapt over time with changes in volume and cover more Growers to get to the next season.

## Taste and Maturity Testing Review

NZKGI took a leading role in the Taste and Maturity IAC review in 2020 following the temporary removal of Taste due to Eurofins stopping testing.

NZKGI surveyed Growers at the start of the process to gather views on what should change. The results from this survey were used by NZKGI representatives on the steering group to formulate a strawman process to be considered by the group. Many of these aspects were adopted and worked through in the two working groups – the Maturity clearance working group and the Taste Working group.

Once the working group had provided their recommendations, NZKGI then surveyed Growers again to provide guidance to the Forum on how to support the recommendations.

## Supply and Payment Oversight

NZKGI continues to monitor supply and payment issues throughout the season. The NZKGI Forum and Executive are regularly updated by Zespri executives around seasonal issues and any changes. This has been particularly busy over the Kiwistart period to adapt to

the changing seasonal requirements to ensure market demand is met. NZKGI are represented by two forum members on ISG as well as five members on IAC to enable Grower's views on industry decisions.

In the coming months, NZKGI will be engaging with PricewaterhouseCoopers to perform a follow up audit to ensure that changes that were recommended to the pool policy following the pool audit in 2017 have been implemented correctly.

## 2021 Supply Agreement

NZKGI representatives have taken an active role in the review of several parts of the 2021 Supply Agreement review including the Schedule 2, Period 1 and Time Model, Pack Differential and Incentives Model and Supplier Accountability.

## Key Performance Indicators (KPIs)

The annual Zespri KPI documents have been published and further developed from the initial set of metrics. They have been developed to provide more commentary and interpretation around what the metrics mean and impacts on the New Zealand Grower.





NZKGI's Communications Portfolio continues to deliver value to Growers through the communication of business-critical information as well as to manage public relations with media.

### Completion of Large Projects

This year saw the completion of a refresh of the NZKGI website. The refresh was the result of survey feedback from stakeholders and resulted in a simplified and decluttered website allowing easier access to information. The website also has a favourites function so that links to viewers favourite pages appear on the homepage.

2020 also saw the first year of NZKGI conducting a performance survey. The aim of the survey was to ensure that NZKGI continues to focus on the issues that matter to maximise the value to members. Organisational questions covered how NZKGI is serving Growers, NZKGI's performance, if there is a need for increased operations, the ordering of priorities and the efficacy of the governance and operational levels.

Changes of the NZKGI Chair, Executive Members and the NZKGI CEO over the reporting period were also required stakeholder communication and profiling to ensure a smooth transition of both personnel and strategy to retain the organisations legitimacy.

The Communications Portfolio also managed the marketing of harvest labour opportunities which were funded by the Ministry for Primary Industry's Opportunity Grows Here campaign. The campaign resulted in 10 million impressions across all mediums and 11,490 people visiting the NZKGI/jobs page.

NZKGI continues to retain a prominent presence in the media on issues surrounding New Zealand's kiwifruit industry. Over the reporting period, the Communications Portfolio has managed a plethora of kiwifruit topics, with the most prominent including COVID-19, Hi-Cane and seasonal labour. In addition to such topics, NZKGI has proactively released good news stories in regional publications which illustrate the positive side of the kiwifruit industry. These stories are also available on the NZKGI website.



The communications portfolio worked collaboratively with the Ministry for Primary industries' Opportunity Grows Here campaign to attract seasonal labour to kiwifruit jobs across New Zealand.

## THE CAMPAIGN RESULTED IN 10 MILLION IMPRESSIONS ACROSS ALL MEDIUMS AND 11,490 PEOPLE VISITING THE NZKGI/JOB PAGE.

The Communications Portfolio was recognised for its work in communicating to Growers and the general public with two awards. NZKGI in conjunction with NZKGI's supporting agency, Wright Communications won the Gold Award for Special Project or Short Term Campaign from Public Relations Institute of New Zealand for communications in NZKGI's Labour Attraction Campaign.

At the 2020 Ravensdown Agricultural Communicator of the Year awards, NZKGI's Communication Manager was the winner of the Primary Sector Communications Award for

communication to the industry throughout the COVID-19 lockdown to avoid a labour crisis and ensure all kiwifruit was picked and packed safely.

In the area of crisis communications, NZKGI continued to track and communicate on adverse events as well as to promote pastoral care in the regions which were impacted.

The Communications Portfolio supported the communication of other portfolios in areas such as the Foodbank appeal, winter pruning taster courses and BOP Young Grower Competition.

NZKGI PORTFOLIO

# EDUCATION



Participants of the 2020 Winter Pruning taste tester course.

With the advent of COVID-19 in 2020, the Education Portfolio became more involved in education and training to directly support new-comers into the kiwifruit industry rather than its usual focus on school students choosing careers. Planned events being disrupted on short notice by changes in COVID-19 alert levels was an unfortunate reality throughout the year.

## Ministry for Primary Industry Funding

Ministry for Primary Industries allocated funding to support people displaced from their jobs by COVID-19 to enter the kiwifruit industry. With this, NZKGI was able to develop a series of free short courses that ran at peak times through the year, each focusing on different skills in the kiwifruit growth cycle: Winter Pruning, Summer Work and Pre-harvest. Seasonal work remains one of the main pathways for people entering a career in the kiwifruit industry.

Each course included a one-day taster that introduced the basics of the task, how it fits into the production cycle, as well as an overview of the industry. These taster days gave the participants an opportunity to experience the physical reality of the job in an obligation free setting, so they could

determine if it was a fit for them. For technical tasks such as Winter Pruning, an additional, more comprehensive training course was provided that focused on skill development. This was a great illustration of an industry-led, Government-supported initiative which will help support New Zealand people with jobs as well as the kiwifruit industry which is growing rapidly and in need of labour.

## Cultivate Your Career

This big-day-out style event has traditionally focused on Year 11, 12 and 13 students. It was developed to showcase the full spectrum of careers available in the kiwifruit industry – on-orchard, in post-harvest and associated industries. Unfortunately, both the Eastern BOP and Western BOP events were cancelled in 2020 due to COVID-19 restrictions. Current research

suggests that Years 10 & 11 are a critical stage in terms of goal setting and career development. Data collected by Priority One in their Event Stocktake document, also suggests Year 9 and 10 students receive fewer opportunities to engage in career-related activities. On this basis, the 2021 Cultivate Your Career Events will run later in the year and be targeted towards junior high school students.

## Bay of Plenty Young Fruit Grower Competition

NZKGI is proud to organise the Bay of Plenty Young Fruit Grower Competition alongside the Bay of Plenty Young Fruit Growers Upskilling Committee. The event recognises the future leaders of the industry and the varied career opportunities within the horticulture industry.

This competition develops skills and showcases the entrants' ability to be innovative and highly skilled in a competitive environment.

The 2021 competition was scheduled for Feb 18 but was postponed after a sudden change in COVID alert levels. It will now take place on July 22, after harvest, as most of the contestants work in the kiwifruit industry.



The NZKGI team promoting seasonal jobs at the Toi Ohomai Institute of Technology.

The practical component of the competition will take place during the day, with Mount Maunganui College providing the venue. The Gala Dinner will be a more intimate affair in the Zespri building. The highlight of the evening event is always the speech component of the competition. The eight competitors prepare a three-minute speech on a topic set by the committee and are judged by a panel of invited dignitaries.

The overall winner will go on to represent Bay of Plenty at the 2021 National Young Grower competition in September. There, they will compete alongside the 2020 Bay of Plenty Young Grower winner Melissa van den Heuvel from NZ Avocado, as the 2020 National Event also was a casualty of COVID-19.

### The Kiwifruit Book

This annual publication remains a highly regarded resource for secondary school teachers of horticulture and more recently agribusiness. It is updated every year with industry statistics released after harvest as well as significant events and topics that arise over the year. The 2020 edition included additional information on on-orchard management practices, sustainability, particularly water and nutrient management; and an overview of the industry response to COVID-19. 200 hard copies of the book have been printed, with copies sent to secondary Schools and Growers throughout New Zealand. An electronic copy is also made available for download on NZKGI's website.

### Career Progression Managers

The NZKGI Education Coordinator role is co-funded by the Provincial Growth Fund under the Te Ara Mahi project (administered by Horticulture New Zealand). As a result, the Education Coordinator is also the Bay of Plenty Career Progression Manager, one of a team of eight covering the major growing areas in New Zealand. The vision of the Te Ara Mahi project is to increase the numbers of students entering full-time study, industry training and employment in the Horticulture industry. The team provides opportunities for collaboration in representing the industry at nation-wide events (National Fielddays, teacher conferences, Career Expos) as well as synergies in sharing ideas for regional initiatives.

### Vocational Education

Vocational or on job learning has been undergoing a significant policy review. This is learning undertaken through polytechs, Primary ITO and private training providers and is an important part of the industry. NZKGI has been involved in the review and in implementation of its outcomes. We have continued to work with the Primary ITO on how to ensure that training works for the kiwifruit industry. There will be significant changes to the training system over the next two years requiring input from the kiwifruit industry via NZKGI.

Future Leaders was originally established in 2014 to develop potential future leaders of the kiwifruit industry by engaging them through regular learning, networking and social activities. Since 2016 they have expanded to include any members within the horticulture sector.

The group is managed by an executive committee made up of volunteers involved in the horticulture industry. The events are held around six key themes:

- Sustainability
- Community
- Innovation
- Personal Development
- Leadership
- Social activities

Some of the past events have included:

- Mike King from *I am Hope* talking mental health
- Tour of the Port of Tauranga operations
- Workplace Disc profiling with EVERYTHING DiSC
- Visit to other horticulture sectors such as a blueberry orchard
- Leading effective teams with Claire Russell
- An annual quiz night
- Public speaking with David Nottage
- Regular season updates from Dan Mathieson, CEO Zespri
- Black Ferns – Selina Winiata, Veteran New Zealand Black Fern
- Finalist 2009 Nasa Astronaut selection – Professor Karen Willcox
- Primary Industry Leadership Panel facilitated by Shaun Martyn
- Lunch with the Minister for Primary Industries
- Site tour of Jenkins Freshpac processing plant

The Future Leaders Executive Committee appreciate the ongoing funding and support of their activities by NZKGI.

# LABOUR

**NZKGI HAS NOW SUCCESSFULLY RUN THREE LABOUR ATTRACTION STRATEGY CAMPAIGNS. THE STRATEGIES ARE CONTINUING TO BUILD YEAR ON YEAR. EACH YEAR A FULL REVIEW OF THE STRATEGY IS UNDERTAKEN, AND ANY LEARNINGS ARE APPLIED TO THE NEXT YEARS STRATEGY.**

The two-year project for the Provincial Growth Funded Labour Co-Ordinator has ended. NZKGI has secured further funding from the Ministry of Social Development to continue the Labour Coordinator position.

During the two years of the project the Labour Coordinator has engaged over 7,500 calls/emails/contacts. This is made up of; International Workers – 47%, New Zealand Workers – 6%, Businesses/ Organisations – 37% and Government or Education – 10%.

## Labour Attraction Strategy

With the borders being closed for the 2021 harvest, the attraction strategy had an even stronger push to attract 'Kiwis' to the industry. The attraction video was updated and released pre-harvest. A new poster was created to appeal to students and New Zealanders. The retirees flyer was also developed to target 'seniors'. With even more emphasis on attracting New Zealanders into the industry, NZKGI continues to work with the Ministry of Social Development to find ways to negotiate barriers which may be preventing people becoming employed. Over 1,500 copies of the Little Green and Gold Book, along with posters were supplied to the Ministry of Social Development. This enabled each of the offices in growing regions, to create displays in their foyers.

A seasonal worker survey was carried out for the second time. It gives key insights into the demographics of people working in seasonal positions. The survey shows what the workers enjoyed and did not enjoy about the work. Preferred hours of work and

shift length was also asked as part of the survey.

## Labour Needs Analysis

Surveys have been conducted in January and February of 2020. The information is then finalised into a report. This report is used to have industry-wide discussions along with discussions with Government on the trends within the kiwifruit industry.

## Labour Policy

With seasonal workers continuing to be a very important part of our industry, NZKGI continues to chair the Bay of Plenty Labour Governance Group (BOPLGG). This group meets three times a year with the meetings having approximately 60 attendees at each meeting. Each of the BOPLGG meetings also have a presentation on a topic of industry interest. These topics have included Communicable Diseases, Compliance Assessment Verification (CAV), Compliance Tips and an update on the new Temporary Migrant Visa Changes. The BOPLGG has industry led working groups – Labour Utilisation, Immigration, Education & Training, Worker Pastoral Care, Accommodation/ Transport and Business Analysis. These groups work together to improve seasonal labour availability.

## Looking After Our Industry's Workers

NZKGI continues to take a strong lead on compliance matters to ensure members of the industry are being treated well. The Labour Coordinator meets with the Zespri compliance team weekly. Together with this team, there has been over 13 organisations that have had their CAV's cancelled. The number of worker complaints in 2021 has reduced, most of the remaining complaints are still regarding pay issues.

## Recognised Seasonal Employees (RSE's)

The Labour Coordinator has had some involvement in the RSE space. There has been considerable work done regarding repatriating the RSE's that have been unable to return home due COVID-19. There has also been assistance given in bringing in the initial 2012 Border Exemption RSE employees.

A submission has also been put forward on the policy review of the RSE scheme. This has also led to an industry Workforce Development Strategy being developed.



*Gavin Stagg, NZKGI Labour Coordinator distributing copies of NZKGI's Little Green & Gold book to accommodation providers.*

# ENVIRONMENTAL & POLICY



NZKGI's Volunteer day on an orchard in the Wai Kokopu catchment.

The Environmental & Policy portfolio has had a very busy year responding to a large volume of government consultations, navigating through the water strategy and looking at ways we can help our communities.

## Portfolio Name Change

The External Relations forum members and Sarah Cameron (Senior Policy Analyst and External Relations lead) spent some time reviewing the portfolio, developing key principles and reviewing work streams. Providing ultimate outcomes for Growers was key throughout this process.

Key principles developed to help guide this work are:

1. **Support retention of highly productive horticulture land**
2. **Maintain the right to grow**
3. **Deliver the best policy outcomes for all Growers**
4. **Protection of the environment while enabling orchard growth**
5. **Work proactively and constructively with stakeholders**

These principles will be at the heart of everything we do as we navigate through a changing and challenging growing environment.

We looked at the name too and we didn't think it accurately portrayed the key intent and work within the portfolio and so it has been changed to the Environmental and Policy Portfolio.

## Policy and Advocacy

Local and central government policy consultations continue to be released at a rapid pace and NZKGI continues to advocate hard for Growers on policy that has implications for Growers. These can be found on the NZKGI websites' submissions page of the Environmental & Policy section.

NZKGI continues its strong advocacy work at a local and central government level which includes early engagement with local councils to help shape policy. Meetings with officials and Ministers to influence policy decisions continues to be a key focus. Our work with Waka Kotahi (NZTA) is a key area where we are advocating for safer roads across the industry.

## Helping Our Communities

NZKGI organised a food bank appeal in the Bay of Plenty which was a great success and contributed much needed supplies to local food banks during tough times caused by COVID-19. Following on from this success, NZKGI partnered with Salvation Army to hold food bank appeals in other growing regions earlier this year which saw the appeal move online.

NZKGI partnered with Bay of Plenty Regional Council to hold a volunteer day on an orchard in the Wai Kokopu catchment (one of New Zealand's most degraded waterways). Staff helped with riparian planting and listened as the team from the Wai Kokopu governance group update us on their plans to improve the catchment's water quality.

## Regional Focus

Rural rate increases have been an area of focus for NZKGI which has seen strong advocacy on behalf of Growers in areas such as Ōpōtiki and Gisborne. NZKGI Forum representatives have also shown strong leadership in these areas. Other areas NZKGI has been proactive in:

- NZKGI has started legal proceedings against a decision by Gisborne District Council to include the licence in rating valuations for gold orchards
- NZKGI was successful in High Court proceedings in the Bay of Plenty to remove barriers to seasonal accommodation

- Through the Policy Group of the Water Strategy, NZKGI provided input and evidence into water policy in Hawke's Bay, Waikato, Tasman, Gisborne, Northland and Bay of Plenty
- NZKGI has provided submissions on council planning consultations in various regions and attended council hearings in Gisborne on the long term plan
- NZKGI has developed a range of factsheets that sets out regional rules around bird scarers, frost fans and temporary accommodation.

## Water

Work within the water strategy continues with the delivery of a road map which outlines how the industry water goals will be achieved. This is supported by a smaller resource for Growers that sets out what the water strategy groups are working on and what actions Growers can take now to improve water quality.

Recognising that some kiwifruit Growers are also avocado Growers, we invited NZ Avocado to join the Water Strategy. Consistent messaging and a united approach to Growers was key in this decision making.

How the Freshwater Module of a Farm Plan will be delivered continues to be a key focus for NZKGI. NZKGI, along with Zespri and Horticulture NZ, continues to advocate hard in this area with the desired outcome being that Zespri GAP is the mechanism that delivers farm plans. Consultation will be released in June.

## Hi-Cane

The Environmental Protection Authority (EPA) is re-assessing Hi-Cane's approval for use in New Zealand. NZKGI and Zespri submitted a response to the EPA's Call for Information in May last year. The next step is for EPA to issue an application for reassessment to spell out its view on the future of Hi-Cane in New Zealand. The EPA will call for public submissions on its proposal and growers and others in the kiwifruit industry can submit. Zespri and NZKGI will work together again to develop a response to the EPA's application for reassessment which is likely to be released for consultation in the next couple of months.

NZKGI PORTFOLIO

# ORGANISATIONAL MANAGEMENT

## EXECUTIVE COMMITTEE



**Mark Mayston**  
CHAIR & INDUSTRY SUSTAINABILITY



**Whetu Rolleston**  
VICE CHAIR, ENVIRONMENTAL & POLICY



**Tammy Hill**  
COMMUNICATIONS



**Sally Gardiner**  
PERFORMANCE



**Sean Carnachan**  
LABOUR / EDUCATION



**Robert Humphries**  
COMMUNICATIONS, ENVIRONMENTAL & POLICY, PERFORMANCE

NZKGI's Executive Committee ensures that NZKGI is professional and well run, with maximum benefit for the levy investment received.

### Personnel Changes

In 2021, NZKGI CEO Nikki Johnson left NZKGI to take up a new role with Zespri. Over the many years Nikki has led NZKGI forward within the industry, growing the organisation into what it is today. Although we are sad to see Nikki leave, we thank her for the many years of hard work and dedication to the role.

We are delighted to welcome Colin Bond into the role of CEO. Colin joins us from ANZ being the Regional Manager with a background in commercial and agribusiness. Colin is also a kiwifruit Grower and so has an appreciation of the issues that Growers deal with.

A number of changes to the Executive Committee occurred within the last year, with Doug Brown (Chairman) retiring and Mark Mayston elected in as Chair. Whetu Rolleston elected Vice Chair. Debbie Oakley and Tony Leicester also stood down from the committee and Robert Humphries, Tammy Hill and Sean Carnachan were elected in.

A number of changes to Forum representatives occurred within the last year. Doug Brown, Richard Pentreath, Debbie Oakley and Jarrod Teddy stood down as Forum Representatives, and the following representatives were instated: Tim Tietjen for Poverty Bay, Jens Liesbach for Hawke's Bay/Lower North Island, Louise Peters as the Seeka Representative, Nick Woolsey for Whakatāne and Peter Blair for the Waihi/Coromandel region.

### Diversity Reporting

In its fourth year of diversity reporting, the female to male ratio has remained the same in the Forum and Executive Committee and the female to male ratio amongst staff has decreased. While NZKGI recognises that diversity is much more than gender, this information is a starting point. As we achieve a greater understanding of the makeup of our industry, we look forward to seeing this diversity reflected in our organisation.

	FEMALE	MALE
Forum	9	17
Exec	3	3
Staff	4	3

### Representative Diversity by Orchard Variety and Hectarage

To evaluate how closely aligned NZKGI's representatives are with the orchard variety and hectarage of New Zealand's kiwifruit Growers, a survey was undertaken with the following result:

	0-2 ha.	2-5 ha.	5-10 ha.	10+ ha.
Green	9	2	3	6
Gold	6	2	5	6
Mix	12	4		
RED	26	8	8	12
As %	50%	15%	15%	19%
Industry average %	22%	42%	22%	8%

## NZKGI STAFF MEMBERS



**Colin Bond**  
CHIEF EXECUTIVE



**Mike Murphy**  
COMMUNICATIONS MANAGER



**Margot Cotter**  
PERFORMANCE & SUPPLY MANAGER



**Sarah Cameron**  
SENIOR POLICY ANALYST



**Gavin Stagg**  
LABOUR COORDINATOR



**Di Holloway**  
EDUCATION COORDINATOR



**Tanya Vickers**  
EXECUTIVE ASSISTANT

# NZKGI Performance Survey

IN NOVEMBER 2020, A SURVEY ON NZKGI WAS CONDUCTED TO ENSURE THAT THE ORGANISATION IS ACCOUNTABLE AND PLACING THE RIGHT LEVEL OF FOCUS ON TOPICS TO MAXIMISE VALUE TO GROWERS. THE KEY RESULTS ARE AS FOLLOWS:

## NZKGI's KPIs in the eyes of Growers:

Generally there is a positive resonance about NZKGI's performance. Responses show that NZKGI's portfolio areas are important and that NZKGI are working well in these portfolios.

**77%** THINK NZKGI HAS PERFORMED WELL OR REASONABLY WELL OVER THE LAST 5-YEARS

**OVER 92%** STATED NZKGI'S PORTFOLIO AREAS ARE VERY IMPORTANT OR SOMEWHAT IMPORTANT

**OVER 84%** STRONGLY AGREE OR SOMEWHAT AGREE THAT NZKGI IS WORKING WELL IN ITS PORTFOLIOS

## How is NZKGI serving Growers: Are there areas Growers find important which are not being addressed?

Themes mentioned by respondents included NZKGI's independence from Zespri (i.e. not being located in the Zespri building, holding 'Zespri to account' etc.) as well as to be able to monitor the industry for Growers.

## How is NZKGI's performance: Are there areas for improvement?

62% of Growers felt that there is room for more work to be undertaken with central Government.

## Are the organisations priorities correct?

Survey responses show that NZKGI's current portfolio areas are all considered important. Four respondents suggested that NZKGI place a higher priority on its independence from Zespri as well as to be able to monitor the industry for Growers.

## How effective are governance, Forum representation and operational aspects of the organisation in the eyes of Growers?

NZKGI is seen to be working well in its portfolios. The communication received from NZKGI is sufficient (Growers don't receive too little, nor too much communication). Growers also generally felt that they are represented by their representatives.

**86%** FIND THE INFORMATION THEY RECEIVE FROM NZKGI IS SUFFICIENT

**65%** STRONGLY OR SOMEWHAT AGREE THEIR REPRESENTATIVE CAN PRESENT THEIR VIEWS AT FORUM

THE COMMUNICATION RECEIVED FROM NZKGI IS SUFFICIENT – GROWERS DON'T RECEIVE TOO LITTLE, NOR TOO MUCH COMMUNICATION.

# Levy Increase

THE CURRENT LEVY IS SET AT 1 CENT PER TRAY. IN DISCUSSION AT THE FEBRUARY FORUM MEETING, THERE WAS GENERAL AGREEMENT THAT THE PREFERRED POSITION WAS TO AT LEAST MAINTAIN THE ACTIVITIES OF NZKGI AND THAT THIS WAS NOT POSSIBLE WITHIN THE CURRENT LEVY RATE.

Consequently, at the March 2021 Forum meeting a recommendation that a motion be proposed to the 2021 AGM to increase the NZKGI levy rate by 0.1c to 1.1c/TE was carried unanimously.

NZKGI has been funded through a Commodity Levy since 2012 with the last levy renewal referendum taking place in February 2017. In this referendum, Growers voted to set a maximum levy rate of 1.5 cents per tray (\$0.0042/kg). This levy remains in force for six years.

## What are you doing with your extra money?

NZKGI intends to continue to operate as it has for the past five years with activities in each of our six portfolios. However this output is not possible with the current staffing as the organisation is running at an unsustainable level. The proposed levy would allow for sufficient funds to cover staffing requirements and increase project funding capability, to a limited extent. More details on this are available on the NZKGI website.

## As volumes grow, don't you get extra money anyway?

Continuing NZKGI's current outputs is not feasible with the current resourcing. Key points to this are:

- Two staff are currently co-funded by Government so the output of the organisation would decrease if these positions were not in place.
- Current staff are working beyond capacity and this is not sustainable.
- The organisation is going through a transition period with the changeover of CEO's.

## What are our retained earnings?

NZKGI's policy is to hold 12 months of retained earnings. In NZKGI's Statement of Financial Position as at 31 December 2020, NZKGI has retained earnings of \$1,391,326. The proposed 2022 Year budget allows for expenditure of \$2,019,525.

## What will happen if the resolution doesn't pass?

If the resolution to change the levy to 1.1 cent is not approved, this budget will remain the same and the additional amount above the expected income of \$1,800,000 (based on 1c/tray (being the current year's levy) for 180 million trays) will be funded by retained earnings.

## How are Growers consulted on how the levy is spent?

Growers are and will continue to be consulted on how the levy is spent through discussions at the NZKGI Forum and in communication to all Growers prior to the NZKGI annual general meeting.

## How long does a Commodity Levy last?

The Commodity Levies (Kiwifruit) Order 2017 came into force on 27 February 2018 and is in force for six years, unless extended (therefore expires on 26 February 2024).

More details regarding the resolution to increase the levy are included in the voting pack distributed to Growers and is also available on the NZKGI website.

# STATEMENT OF FINANCIAL PERFORMANCE

New Zealand Kiwifruit Growers Incorporated  
For the year ended 31 December 2020

	NOTES	2020	2019
<b>Revenue</b>			
<b>Revenue from Provision of Services</b>			
Commodity Levy		1,568,775	1,457,893
Kiwifruit Co-ordinator Funding		131,107	83,935
Pioneer Book Funding		0	17,566
Pioneers Book Sales		1,306	10,517
Anniversary Ticket Sales		0	25,210
Ministry for Primary Industries Funding		86,555	0
<b>Total Revenue from Provision of Services</b>		<b>1,787,743</b>	<b>1,595,120</b>
<b>Interest and Investment Revenue</b>			
Interest Received		4,018	11,064
<b>Total Interest and Investment Revenue</b>		<b>4,018</b>	<b>11,064</b>
<b>Total Revenue</b>		<b>1,791,761</b>	<b>1,606,184</b>
<b>Total Revenue</b>		<b>1,791,761</b>	<b>1,606,184</b>
<b>Expenses</b>			
Executive Committee & Forum Members	7	242,531	254,464
Staff Costs / Benefits	8	889,306	738,740
Communications		48,149	70,995
External Relations		45,999	49,586
Industry Stability		1,043	393
Labour / Education		209,119	187,099
Organisational Management		23,336	29,579
Performance and Supply		32,307	36,418
Pioneer Book Expenses		2,690	28,004
Overheads	9	160,431	158,738
<b>Total Expenses</b>		<b>1,654,911</b>	<b>1,554,016</b>
<b>Net Operating Profit / (Loss) Before Tax</b>		<b>136,850</b>	<b>52,168</b>
<b>Provision for Tax</b>			
Provision for Tax	14	845	2,818
<b>Total Provision for Tax</b>		<b>845</b>	<b>2,818</b>
<b>Net Profit / (Loss)</b>		<b>136,005</b>	<b>49,350</b>

These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

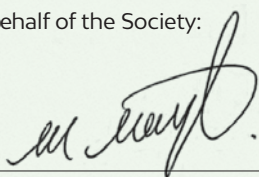


# STATEMENT OF FINANCIAL POSITION

New Zealand Kiwifruit Growers Incorporated  
 As at 31 December 2020

	NOTES	2020	2019
<b>Assets</b>			
<b>Current Assets</b>			
Accrued Income	3	18,775	0
Bank Accounts and Cash	4	1,325,067	1,371,949
Debtors		251,101	90,248
Stock on Hand		3,013	5,570
<b>Total Current Assets</b>		<b>1,597,956</b>	<b>1,467,766</b>
<b>Non-Current Assets</b>			
Fixed Assets		15,545	24,055
Intangibles		4,455	4,455
<b>Total Non-Current Assets</b>		<b>20,000</b>	<b>28,510</b>
<b>Total Assets</b>		<b>1,617,956</b>	<b>1,496,277</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accruals and Provisions	5	44,168	38,959
Accrued Holiday Pay		44,998	27,772
Credit Cards		2,989	3,560
Creditors		34,413	82,408
GST Payable		25,673	13,351
Income in Advance	6	74,248	72,748
Loans		0	479
Tax Provision	14	141	1,681
<b>Total Current Liabilities</b>		<b>226,630</b>	<b>240,956</b>
<b>Total Liabilities</b>		<b>226,630</b>	<b>240,956</b>
<b>Net Assets</b>		<b>1,391,326</b>	<b>1,255,321</b>
<b>Equity</b>			
Retained Earnings		1,391,326	1,255,321
<b>Total Equity</b>		<b>1,391,326</b>	<b>1,255,321</b>

For and on behalf of the Society:



Mark Mayston – Chair



Whetu Rolleston – Vice Chair

These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

# STATEMENT OF CHANGES IN EQUITY

New Zealand Kiwifruit Growers Incorporated  
For the year ended 31 December 2020

	2020	2019
<b>Equity</b>		
Opening Balance	1,255,321	1,205,971
<b>Increases</b>		
Net Surplus for the Period	136,005	49,350
<b>Total Increases</b>	<b>136,005</b>	<b>49,350</b>
<b>Total Equity</b>	<b>1,391,326</b>	<b>1,255,321</b>

These financial statements must be read in conjunction with the accompanying Notes to the Accounts and Audit Report.

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

New Zealand Kiwifruit Growers Incorporated  
For the year ended 31 December 2020

These summary financial statements have been extracted from the audited financial statements prepared for New Zealand Kiwifruit Growers Incorporated, and authorised for issue by the Forum on 18 May 2021. The full financial statements were prepared as special purpose reports for the purpose of reporting to members.

The financial statements are prepared on a historical cost basis, and are presented in New Zealand dollars (NZ\$) and rounded to the nearest \$ unless otherwise stated.

These summary financial statements do not include all of the disclosures contained in the full financial statements and therefore do not provide as complete an understanding to readers as that which would be provided by the full financial statements. Full financial statements, which have been audited, can be obtained by contacting NZKGI via the following:

Phone: **0800 232 505**

Postal address: **PO Box 4246 Mount Maunganui South 3149**

Email: **info@nzkgi.org.nz**

# BUDGET

## New Zealand Kiwifruit Growers Incorporated

	ACTUAL 2020 (FINAL)	DRAFT 2021 BUDGET	REVISED 2021 BUDGET	DRAFT 2022 BUDGET
<b>Income</b>				
Commodity Levy	\$1,568,775	\$1,620,000	\$1,620,000	\$1,914,000
Interest Income	\$4,018	\$10,000	\$5,000	\$5,000
Project Income	\$131,107	\$73,607	\$153,607	\$101,339
Other income	\$87,861			
<b>TOTAL INCOME</b>	<b>\$1,791,761</b>	<b>\$1,703,607</b>	<b>\$1,778,607</b>	<b>\$2,020,339</b>
<b>Expenses</b>				
Exec Cmte & Forum Members	\$242,530	\$274,500	\$275,500	\$323,500
Staff	\$889,306	\$1,006,254	\$1,042,755	\$1,107,625
Overhead Expenses	\$161,276	\$185,801	\$183,860	\$184,560
Industry Stability	\$1,043	\$20,000	\$20,000	\$20,000
Communications	\$50,838	\$66,000	\$66,000	\$66,500
Performance	\$32,307	\$60,600	\$53,000	\$55,000
Labour/Education	\$209,120	\$151,800	\$176,800	\$176,800
External Relations	\$45,999	\$52,740	\$52,740	\$52,340
Organisational Management	\$23,336	\$31,200	\$31,200	\$33,200
<b>TOTAL EXPENSES</b>	<b>\$1,655,756</b>	<b>\$1,848,895</b>	<b>\$1,901,854</b>	<b>\$2,019,525</b>
<b>Net Operating Profit / (Loss) Before Tax</b>	<b>136,005</b>	<b>(145,288)</b>	<b>(123,247)</b>	<b>815</b>
<b>Provision for Tax</b>				
<b>Net Profit / (Loss)</b>	<b>136,005</b>	<b>(145,288)</b>	<b>(123,247)</b>	<b>815</b>
Prior Year Retained Earnings	1,255,321	1,391,326	1,246,038	1,122,791
<b>Retained Earnings Year End</b>	<b>1,391,326</b>	<b>1,246,038</b>	<b>1,122,791</b>	<b>1,123,606</b>



## ANNUAL REPORT 2021

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