

NOT FOR DISTRIBUTION TO THE MEDIA OR DISTRIBUTION OUTSIDE THE INDUSTRY

**MINUTES OF NZKGI's ANNUAL GENERAL MEETING
ONLINE
18th August 2021**

Present: Mark Mayston (Chair), Colin Bond

In Attendance: Tanya Vickers, Mike Murphy, Sarah Cameron, Gavin Stagg, Di Holloway, Jacqui Craig, Toni Stringfield, Amy Willoughby, Andrew Dawson, Ross Bawden, Bev Carter, Braden Hungerford, Chris Anstis, Cody Bent, Colin Olesen, Craig Thompson, David Tanner, David Darcy, Dermott Malley, Elly Sharp, Erin Lane, Sue Groenewald, Helen Allan, Ian Greaves, James Trevelyan, John Cook, John Knowles, Leanne Stewart, Leanne Peacock, Lisa Gibbison, Margaret Bowditch, Matt Flowerday, Michelle Dyer, Mike Butcher, Mike Smith, Mike Perrett, Monique Finlay, Nathan Flowerday, Nick Woolsey, Barry O'Neil, Paul Thomas, Phil Jones, Rikki James, Robert Humphries, Sally Gardiner, Sean Carnachan, Simon Cook, Tammy Hill, Tim Tietjen, Tony Leicester, Whetu Rolleston, Anaru Timutimu, Gordon Skipage, Stuart Roberts, John Bourke, Tom McMorran, Shaun Vickers

Apologies: Karen Roche, Jessica Smith, Margot Cotter, Monty Spencer, Jens Liesebach, Nadine Tunley

Anaru opened the meeting with a Karakia

1. APOLOGIES, PREVIOUS MINUTES AND MATTERS ARISING

Apologies: Karen Roche, Jessica Smith, Margot Cotter, Monty Spencer, Jens Liesebach, Nadine Tunley

Resolution: The meeting accepted apologies from Karen Roche, Jessica Smith, Margot Cotter, Monty Spencer, Jens Liesebach, Nadine Tunley

*Moved: Sean Carnachan/Whetu Rolleston
Carried Unanimously*

CONFIRMATION OF PREVIOUS MINUTES

Resolution: The minutes of the Annual General Meeting held on Tuesday 18th August 2020 be approved as a true and correct record.

*Moved: Sally Gardiner/Dave Tanner
Carried by Majority 94.83%*

Matters Arising

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:

- Executive Committee have been providing more support to staff
- Operational output has increased
- NZKGI has been operating at a financially unsustainable level

CEO Colin Bond then spoke to his report drawing attention to the following points

- Portfolio approach makes common sense
- Views and needs of growers are being listened to
- Labour and regulation are a priority
- NZKGI must remain nimble

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

Moved: Tammy Hill/Dave Tanner

Carried by Majority 98.33%

3. FINANCIAL STATEMENTS

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

The organization finished the year with a net operating surplus of over \$137,000. This was an extraordinary result against a budgeted loss of \$145,000. The surplus was generated from a lack of expenditure due to COVID across overheads and portfolios. For example, COVID resulted in staff working from home more and there was less domestic travel. The surplus has been incorporated into retained earnings leaving the organization with just under \$ 1.4 million at the year end. NZKGI operates a retained earnings policy that aims to retain funding for up to 12 months of operating costs and we are still below this level. In addition, there is a budgeted loss of \$123,000 expected for the year we are now operating in.

Resolution: That NZKGI's Financial Statements for the period ending 31 December 2020 be approved.

Moved: Robert Humphries/ John Cook

Carried by Majority 98.33%

4. 2022 BUDGET

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

The 2022 budget has been reviewed and approved by the NZKGI Executive Committee and Forum.

The income budget is based on fruit volume of 180 million trays and a levy of 1.1 cent. If the upcoming motion 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 1 cent per tray will be funded by retained earnings).

However, with the proposed income of 1.1 cent, you will see that an overall surplus of \$815 is budgeted. The 2022 budget has increased expenditure from 2021. The increased expenditure pertains primarily to an increase in salaries to off-set the government-funded positions and as provision for an additional team member as approved by the forum. The 2021 budget also includes funding for continuation of the Labour Attraction Strategy which was first undertaken for this harvest. This is an investment of \$100,000 and is a significant project. I note that with the proposed income, we are unable to extend the scope of the work programme any further independently. We are seeing increasing requests for NZKGI involvement in issues such as water management. Recent changes announced by Government mean more changes are coming for growers and if NZKGI is to increase our involvement and support, then this will need to be funded. Rest assured, I remain focused on ensuring the best return on investment for grower levies.

Resolution: That NZKGI's Budget for the year ending 31 December 2022 be approved.

*Moved: Whetu Rolleston/Sally Gardiner
Carried by Majority 85.56%*

5. SET THE REMUNERATION OF REPRESENTATIVES

Report taken as read

John Bourke acknowledged John Cook & Mike Williams

The Remuneration Committee carried out a full review, taking into consideration the amount of time to prepare and attend meetings, time at Grower Roadshows & Government consultations.

Points to note

- That the Chairman's fees be adjusted to the levels recommended by the Remuneration Committee of \$67,500.00 for the Chair and \$35,500.00 for the Vice Chair per annum.
- That the Executive Members fees be adjusted to \$12,500.00 per annum.
- That the ISG Representative fees be adjusted to \$16,000.00 per annum.
- That the Meeting Fees be adjusted to the levels recommended by the Remuneration Committee of \$450.00 per day, \$250.00 per ½ day and \$100.00 minimum.
- That the Off Orchard time for those representatives residing outside of the BOP be adjusted to the levels recommended by the Remuneration Committee of \$200.00 per day.
- That the maximum meal allowance be adjusted to breakfast \$35.00 and dinner \$65.00 or the actual amount paid as evidenced by receipts.
- That the Special Allowance \$10,000.00 at the discretion of the Executive Committee be included in the NZKGI budget.

Resolution: Pursuant to Rules 12 and 17 of the Rules, that the recommendations of the Remuneration Committee be approved with effect from 1 January 2022.

Moved: John Bourke/John Cook
Carried by Majority 93.82%

Mark thanked John, John and Mike for their work on the Remuneration Committee.

6. SET THE LEVY RATE

Report taken as read

- The Commodity Levies Order 2017 allows a maximum rate of 1.5 cent per tray. At each NZKGI AGM, kiwifruit growers may set any rate up to the maximum for the next calendar year.
- The current rate is 1 cent per tray and the motion for resolution 6 is to increase the levy by 10% which is 0.1, cent to a total of 1.1 cent.

Colin spoke to the report

A loss of \$123,247 is budgeted for the 2021 year and with expenditure of \$2,019,525 for 2022, a net operating profit of \$815 is anticipated if the levy rate increases to 1.1 cent per tray. At the end of 2020 there was \$1,391,326 in retained earnings. At the end of 2021, retained earnings are budgeted to decrease to \$1,122,791 which is ~50% of the required operating cost for the organisation.

Mark spoke to the report

The Executive Committee and Forum agree that to maintain retained earnings and to continue current the work activities, a levy rate increase to 1.1 cent per tray is required.

While we are on this point, I would like to make particular note that NZKGI's retained earnings policy is from 50% to a *maximum* of 100%, not that the retained earnings must be 100%.

The organisation is operating at an unsustainable level with the current staffing and so it is not possible to continue with the same output.

Furthermore, it is important to note the value that NZKGI delivers to growers and the importance the different portfolios have as the industry grows - and I think we've seen this across the board in our organisation, with our work in bringing seasonal labour to the industry as a great example. We have detailed information about the value that NZKGI brings to growers which can be found from the homepage of the NZKGI website.

Resolution: That the 2022 levy rate for the purposes of the Commodity Levies (Kiwifruit) Order 2017 be increase to 1.1 cent per tray (0.0031/kg)

Moved: Nathan Flowerday/Sean Carnachan
Carried by Majority 79.64%

7. MEMBER FORUM

No discussions brought to the floor

The Chairman thanked attendees for attending the meeting.

The Meeting closed at 11.40am

Minutes Confirmed

Chairman

Date

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