





**NZKGI**  
NEW ZEALAND KIWIFRUIT GROWERS



**MISSION STATEMENT**

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



**VISION**

**INNOVATIVE LEADERSHIP SUCCEEDING THROUGH CHANGE**



**VALUES**

**INTEGRITY  
RESPECT  
ACCOUNTABLE  
INDEPENDENT**

NZKGI ANNUAL REPORT 2023

# CONTENTS

		<b>KEY PORTFOLIOS</b>		<b>7</b>			
CHAIR'S REPORT	4	INDUSTRY STABILITY	8	NZKGI PERFORMANCE SURVEY AND LEVY RESULT	15	STATEMENT OF CHANGES IN EQUITY AND NOTES TO THE SUMMARY FINANCIAL STATEMENTS	18
CEO'S REPORT	6	COMMUNICATIONS	9	STATEMENT OF FINANCIAL PERFORMANCE	16		
		ENVIRONMENTAL & POLICY	10	STATEMENT OF FINANCIAL POSITION	18	BUDGET	19
		LABOUR & EDUCATION	12				
		ORGANISATIONAL MANAGEMENT	14				

## OUR PORTFOLIO WHAT WE DO



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

## INDUSTRY STABILITY

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

## COMMUNICATIONS

NZKGI's 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 essential information to Kiwifruit Growers to support the growth of a profitable and sustainable business.

## ENVIRONMENTAL & POLICY

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

## 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 the Government.

This work includes coordinating the Recognised Seasonal Employer (RSE) 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 industry members 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.

## 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 the effective representation of Growers.

## 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.

### Cover page image:

NZKGI Hawkes Bay/Lower North Island Regional Representative Gary Davies and Ngai Tukairangi Trust Regional Manager Richard Pentreath discuss the impact of Cyclone Gabrielle, which had a devastating impact on some kiwifruit orchards across the North Island in February 2023. Adverse weather, including frost, hail, and wind, was one of the many challenges impacting kiwifruit production for the 2023 season.



**NZKGI'S SUCCESS IN ACHIEVING ITS STRONGEST-EVER RESULT FOR A RENEWAL OF THE LEVY THAT FUNDS OUR ORGANISATION IS AN EXCELLENT SIGN OF SUPPORT FOR OUR WORK TO DATE AND A SIGNIFICANT MANDATE FOR OUR CONTINUED OPERATIONS FOR THE NEXT SIX YEARS.**

**NZKGI Chair - Mark Mayston**

---

# CHAIR'S REPORT

— MARK MAYSTON —

Our industry is at a critical juncture with the whole supply chain feeling the pressure of weather impacts, fruit quality, supply chain issues and ever-increasing regulation. When things don't go well for Growers, NZKGI's role as your advocate becomes even more critical.

**Many Growers are under severe financial strain from a season of poor winter chill and quality. This strain is compounded by the myriad of adverse weather events over the past year, which have devastated some Growers across the country.**

Ironically, if we have the bumper volumes Zespri currently forecast for 2024, we may be under further pressure to retain quality as our supply chain deals with one of the most significant seasons on record.

Furthermore, Growers are continuing to adapt to the increased regulation of growing, labour, reporting, monitoring, and spraying requirements for their orchards. An example of this is the EPA's attempt to ban Hydrogen Cyanamide (Hi-Cane).

## 2024 BUDGET

NZKGI is responsible for managing important and complex projects for Growers' businesses, and I think it's fair to say that we are going from strength to strength in this regard.

However, these projects have taken their toll on NZKGI's financial position. Like many growers who are under severe financial pressure at the moment, we are cutting costs wherever possible. We will also be looking for external funding for projects where appropriate. However, we recognise that NZKGI needs to fund some of our own projects, rather than relying on certain stakeholders, as this inhibits our independence.

The levy growers pay for NZKGI is an investment, not a cost similar to the cost of living. Unlike the current increase in the cost of living, NZKGI provides real dividends for every tenth of a cent that Growers invest. The return on investment for each of these

individual projects far outweighs the 'cost' that Growers 'pay'. For example, a report commissioned by NZKGI concludes that if Hi-Cane was banned, GDP would reduce by \$143m per year.

The next 12 months may be some of the most important in recent memory, and we will be stepping up once more to advocate for Growers' best interests.

## INDUSTRY ALIGNMENT

Our industry is at a critical juncture with grower sentiment at a very low level at this time of writing. A perceived disparity between different types of growers and an overall lack of trust appears to be the reasons for the negativity, although the reality is that the industry needs to have a better understanding of how we have got to this point.

It is critical that we remain unified to reap the benefits of our single desk and, as such, NZKGI has an important role to ensure that industry performance is monitored, transparency is ensured, and all growers are advocated for. Our current project to analyze green grower profitability is an example of NZKGI gaining more transparency across the supply chain for green growers to make better decisions about their businesses. I look forward to delivering green growers answers to these questions over the coming months as we develop the results to our analysis.

The value that our single desk brings growers is one of the most important reasons that we have such a strong industry. A quick look at deregulated product groups shows that we must continue to foster this strength and treasure it. Strength through unity is what makes us great.

## LEVY RENEWAL

In April this year we were given a strong mandate by kiwifruit growers to work on their behalf for the next six-year kiwifruit levy cycle. The referendum growers voted in to continue NZKGI's levy had the strongest ever results. Of those who voted, 91% of growers supported the proposed levy, equating to 94% their total production of the foregone season. Votes were cast by 54% of growers eligible to vote in the referendum, representing 68% of total production. This great result reflects the return on investment that NZKGI has delivered growers over the last six years.

## FORUM REPRESENTATIVES

Several changes to Forum Representatives occurred within the last year. I would like to take this opportunity to thank those who have stood down for their service to the industry; Peter Blair, Karen Roche, Jens Liesebach, and Louise Peters. I also welcome the following representatives who were instated: Gary Davies (Hawkes Bay/Lower North Island), Simon Craig (G6), and Hayden Cartwright (Seeka Grower Entity).

Our Executive has remained unchanged over the reporting period, and it has been pleasing to see the team continue to work well in their advocacy for Growers. The Executive members' oversight of the NZKGI portfolios continues to provide a more robust level of Governance across the organisation. I thank the team for their work in these spaces.

Please remember to ask questions and keep yourself informed. This is our industry, and it is a great one.

**NZKGI Chair - Mark Mayston**



# CHIEF EXECUTIVE OFFICER'S REPORT

— COLIN BOND —

I expected the 2022 harvest to be the most challenging of those completed during COVID, so it proved.

**The now well-documented quality challenges took a financial and emotional toll on everyone in the industry. It happened. We can't change it. But we can dust ourselves off, learn from it and keep moving forward.**

NZKGI has played its part in helping the industry to learn from the quality problems; however, more still needs to be done to restore confidence in our supply chain. That work is ongoing and will be very important as we head into higher volume years.

NZKGI does not have the scale to fight battles on every front. We pick our battles and advocate in the areas we believe make sense for Growers and New Zealand in general. In the last 12 months, we have seen the single most significant annual lift in the RSE cap from 16,000 to 19,000, a considerable boost to our RSE employers and a confidence builder for those looking to continue to invest.

The review of Hydrogen Cyanamide (Hi-Cane) is ongoing. Additional information provided to the EPA has seen their recommendation move from a five-year phase-out to ten years. While this is a positive step, we still look forward to the hearing so we can pursue what we believe is a strong

case for retention. In later sections of this annual report, you will read about other important work NZKGI does for Growers. We are focused on understanding the issues most important to you and then advocating for sensible outcomes.

The battles we've fought on Growers' behalf have come at a significant financial cost when tray volumes are well below forecast. 2022 resulted in a loss for NZKGI, and the current year will see an even more considerable loss funded by retained earnings.

Nevertheless, we were very grateful for the strong support for the renewal of the NZKGI levy, which provides a welcome level of certainty over the next levy period.

Despite a deliberate focus on cost reduction, the reduced levy income and important expenditure on the Hi-Cane review in particular were greater than cost reductions made in other areas. The losses will result in retained earnings falling from \$1.5m at the end of 2021 to a forecast \$624,985 the end of 2024. We will continue to work nimbly as a lean advocacy organisation by operating as efficiently and prudently as possible on growers' behalf.

There have been a few changes to the staff in the last year. Di Holloway and Rebecca Gallagher finished with NZKGI, and we welcomed to the team Sam Vicente-Moa in an events and communications role and Abby Van De Ven into the Environment & Policy portfolio. Mark Mayston, the Executive and Forum Representatives continue working tirelessly on important Grower issues. They provide invaluable support to the staff. Collectively we work to ensure the internal and external environments are as supportive as possible for Growers.

Working for you remains a privilege. Keep talking to us. Onwards and upwards.

**NZKGI CEO- Colin Bond**

# KEY PORTFOLIOS

INDUSTRY STABILITY | PERFORMANCE & SUPPLY | COMMUNICATIONS  
 EDUCATION & LABOUR | ENVIRONMENTAL & POLICY | ORGANISATION



## NZKGI continues to spend time building effective relationships both inside and outside the industry.

### Government Relations

Considerable work is undertaken with Ministers and officials at both central and local Governments. NZKGI works to ensure that regulations are fit for purpose and consider the needs of New Zealand’s kiwifruit Growers. Policy covering labour, water, agri-chemical use, and climate are all currently under the microscope. We expect the workload to increase in the next two years as regional councils look to meet central government water regulations.

### Industry Relations

NZKGI representatives continue to ensure that the Grower perspective is considered in all vital industry decisions by participating in the Industry Advisory Council (IAC).

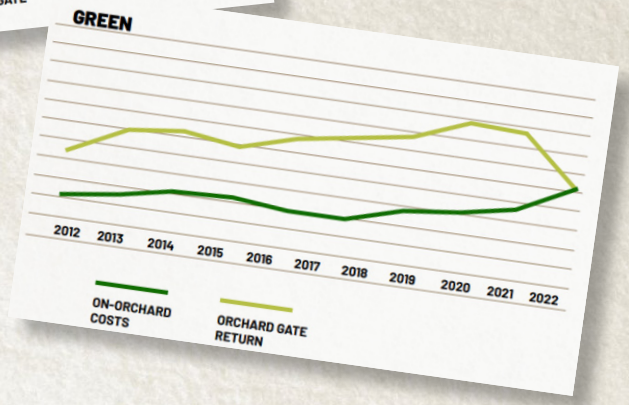
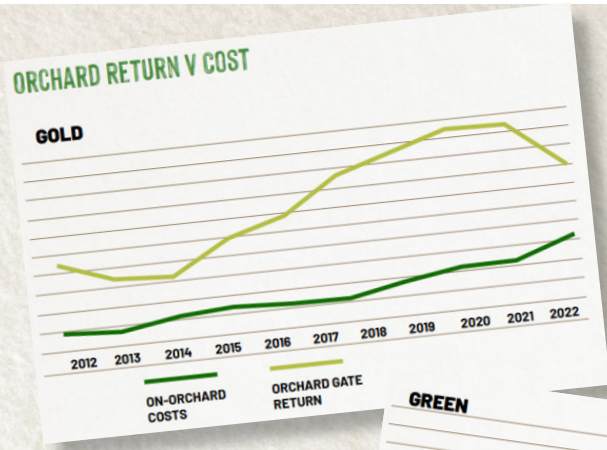
We work hard to maintain working relationships across the industry in recognition of the existing interdependencies. All parts of our industry must be successful for the industry structure to endure.

### International Relations

NZKGI spent substantial time in the last 12 months with Ministers and officials from Pacific countries. That work is ongoing to ensure the RSE Scheme remains a world-leading labour mobility scheme.

NZKGI representatives attend the International Kiwifruit Organisation (IKO) conference every year. 2022 was the first in-person conference since 2019. The conference is an excellent

opportunity to build relationships, discuss collective ways to build the Kiwifruit category globally, and address challenges. The connections gained enable us to identify new or increasing biosecurity risks and other challenges early on. In 2022 the themes remained similar to previous years – COVID, climate change, labour shortages and regulation. An emerging risk is access to, and affordability of, electric power-driven technologies by a combination of the Ukraine war for European Growers, drought for US growers and increasing demand due to the electrification of vehicles. The 2023 conference is in Chile in September.



**The Performance & Supply portfolio continues to monitor Zespri and industry performance across the supply chain to ensure the industry is working in Growers best interest.**

NZKGI monitors Zespri and industry performance to ensure it operates in the best interests of all the kiwifruit Growers and that they are always top of mind in industry decision-making.

**Focal Points**

There are a multitude of different issues that NZKGI can monitor on Growers' behalf. Quality and supply chain issues are two examples which have been a very high priority over the last year.

In order to be more efficient and effective in what NZKGI should monitor, the Performance & Supply manager surveyed Grower opinion across different Grower regions throughout the reporting period. Some of the highlights that Growers brought up included more transparency around facilities' operational processes as well as the flow of fruit through the supply chain. This was very useful information to gather and use in our advocacy for kiwifruit Growers in governance circles.

**Quality & Supply Chain issues**

Although each season has its complexities, 2022 was particularly challenging, with well-documented quality issues creating significant financial issues for Growers. NZKGI advocated for Growers in an open letter to Zespri Directors and were also central in the initiation of several action groups as part of the industry response to resolve the situation as quickly as possible.

The Industry Advisory Council's Quality Action Plan was formed in October 2022. The plan is based on seven fundamental principles:

1. Understanding the cause(s)
2. Rebalancing commercial drivers/ incentives
3. Communicating best practice for growing and harvesting premium fruit
4. Assessing fruit flow decision-making – end to end
5. Keeping poor fruit onshore via Zespri onshore quality assurance
6. Assessing supplier accountability – commercials and consistency
7. Improving transparency of in-market information on quality and costs

The plan primarily focuses on tolerances of quality standards as well as touch points for mitigating quality issues across the whole supply chain. NZKGI continues to focus on understanding the learnings and monitoring the roll-out of the response to rebuild confidence and mitigate further quality issues impacting on growers in the future.

**Communicating Performance to Growers**

One of the key outputs of the Performance & Supply portfolio is the Key Performance Indicators dashboard for Growers. The dashboard collates facts and figures about Zespri year-on-year for Growers including:

- Percentage of Revenue Allocated to R&D
- NZ Supply Overheads, Margin and Sales
- Global Revenue per Employee

- Average Premium Pricing for Green
- Brand Awareness
- Zespri Group Limited (ZGL) Dividends
- Collaborative Marketing data

Growers are welcome to view the dashboards on the Performance & Supply page of the NZKGI website. The dashboard is under constant review and we welcome feedback with any suggestions for improvement to help Growers have a better understanding on how Zespri is operating on their behalf.

**Future Projects**

Over the next 12 months, the Performance & Supply portfolio will continue to monitor different areas of Zespri including the centralisation of data, project Horizon, innovation programmes and offshore operational processes. In addition, the portfolio will:

- Deliver modules to growers to give more transparency of the Supply Agreement and payment structures
- Industry reporting mechanisms to promote more transparency
- Industry planning and commercial drivers





## WITH ADVERSE WEATHER, POOR ORCHARD GROWTH, AND QUALITY AND SUPPLY CHAIN ISSUES, GROWER PROFITABILITY HAS BEEN HIT HARD OVER THE PAST YEAR.

**NZKGI's communications portfolio has worked tirelessly to support Growers through pastoral care, communicating industry advice and explaining the situation to the general public.**

**In January 2023, the communications portfolio published an open letter to the Zespri Board about the stopping of progress payments situation being unacceptable for green Growers. This communication received positive feedback from many Growers and post-harvest entities, particularly around NZKGI showing leadership in this space.**

Cyclone Gabrielle and Hale, which devastated some Growers across New Zealand, as well as hail, COVID-19, labour shortages, quality and supply chain issues, put many Growers under severe financial pressure. Furthermore, Growers continue to adapt to increased regulation of growing, labour, reporting, monitoring, and spraying requirements for their orchards. NZKGI has communicated many of these topics internally to Growers and externally to the general public.

It has been excellent to see Forum Representatives in regions impacted by adverse weather step up and support their Growers by coordinating the relief effort and explaining the impact of the events to the general public via the media. A special mention should be made of Gary Davies and Tim Tietjen regarding Cyclone Gabrielle and Tammy Hill regarding Cyclone Hale.

The communications delivered by NZKGI recognised the impact of these adverse events. They sought to alleviate the emotional impacts where possible through, for example, regular pastoral care articles in the Weekly Update Newsletter. The communication portfolio also ties in with the Primary Sector Coordination Group and the Rural Support Trust to share information leading to the provision of pastoral care support for Growers.

In 2022/23, NZKGI partnered with Farmstrong to produce a book to help Growers manage the ups and

downs of the industry. *Live Well, Grow Well* tells the stories of experienced Growers and industry figures who have navigated tough times and share what they now do to manage workload and stress. It also contains expert advice on nutrition, sleep, strategies to manage pressure, and the importance of rest and recovery time. The book was distributed free to Growers in roadshows at the beginning of 2023.

In the aftermath of cyclones Hale and Gabrielle, NZKGI's Grower Relief Fund called for donations to support impacted Growers, and at the time of writing, a generous total of \$260,000 has been received. The Grower Relief Fund was established to provide disaster relief to kiwifruit Growers to repair and restore kiwifruit orchards.

NZKGI's newsletter, the Weekly Update, continues to be the industry's most-read publication. The newsletter communicates critical business information, governance topics, and other need-to-know information to Growers. The number of subscribers continues to grow, and regular CEO updates in the newsletter continue to provide more value to Growers.

NZKGI has continued to be active in the media space again over the last year with particular reference to the EPA's attempt to ban Hydrogen Cyanamide (Hi-Cane) and the Gisborne District Council, which wanted to include SunGold licences in the Capital Value of land for rating purposes. In both situations, NZKGI communications have presented the organisation's position to Growers and the general public.

NZKGI conducted its third annual Performance Survey at the end of 2022 to measure Grower sentiment of the organisation. The survey results tracked similarly to the inaugural 2020 and 2021 surveys, with 70% of respondents thinking that NZKGI had performed well or reasonably well over the last 12 months. In



comparison, the 2021 survey showed that 75% of respondents thought NZKGI had performed well or reasonably well in the last 12 months, and the 2020 survey showed 77% thought NZKGI had performed well or reasonably well over the last five years. A more detailed breakdown of the responses is included on page 13.

Communication with and for New Zealand kiwifruit Growers remains a critical output of the organisation. NZKGI strives to provide value to Growers in this space by, for example, investigating communication enhancements for Growers through an NZKGI app.

**In 2023 NZKGI welcomed Sam Vicente-Moa as the organisation's Events & Communications Officer to support the operational output of the portfolio and enable the Head of Communication and Strategic Projects to deliver more outputs in the strategic projects space.**



NZKGI PORTFOLIOS

# ENVIRONMENTAL & POLICY

## Hydrogen Cyanamide

The Hydrogen Cyanamide (Hi-Cane) reassessment by the EPA has been a key focus of the Environmental and Policy Portfolio. Amid considerable disruption due to Cyclone Gabrielle, NZKGI responded (by the due date) to the EPA's Update Report released in December 2022.

NZKGI continues to oppose the proposed ban of Hydrogen Cyanamide within ten years and believes that any ban with any phase-out period is unnecessary and inappropriate. The prospect of a ban with any phase-out period will see continued uncertainty and is a severe disincentive for investment. This is particularly the case given that Growers are seeing the effects of climate change on bud break with no indication that a suitable alternative will be available. Alternative cultivars are many years (if not decades) away. In addition, the potential conversion of kiwifruit orchards from conventional to organic, as described in the Update Report, is impractical.

NZKGI welcomes the removal of the carcinogenicity (Category 2) classification and is of the view that:

- Appropriate training combined with industry-led improvement actions will ensure the risk for spraying operators is as low as possible.

- The magnitude of the economic and related benefits derived from using hydrogen cyanamide is massive, and the Update Report does not adequately consider the well-being effects on individual Growers or the impacts on national well-being that would result from a ban on hydrogen cyanamide.
- The risk assessments relating to birds and soil organisms are overly conservative. The risk ratings should be reduced in light of the new information contained in the expert reports commissioned by NZKGI.

NZKGI notes that the Social Impact Assessment highlights that the effects on Māori Growers and their whanau and communities would be significant if hydrogen cyanamide were banned.

Overall, NZKGI's view is that the benefits of Hydrogen Cyanamide greatly outweigh the risks, and the approval of Hydrogen Cyanamide should be retained.

While the hearing has been postponed to February 2023, NZKGI's evidence is essentially complete, and the focus is now on preparing the hearing presentations. The postponement of the hearing until after the next HC season provides an opportunity to carry out additional work to strengthen NZKGI's case at the hearing.



## Shelter

As part of the Hi-Cane response, Zespri and NZKGI have prepared a shelter mandate document. The document currently requires Growers to have effective shelter near sensitive areas, or a 30m buffer zone between the sprayed area and the title boundary will apply. The intention is that the shelter mandate will apply at the time of the GAP audit in 2025 for the 2026 season. The document is being revisited to address questions and uncertainties raised by Growers and is expected to remain a working document pending additional feedback.

## Water

In September 2020, the Government released a new National Policy Statement for Freshwater Management. This directs how regional councils must manage freshwater and activities that affect freshwater. This policy was amended again in December 2022. All councils, including the Bay of Plenty Regional Council, must now give effect to this and are updating their rules to give effect to stricter national targets.

NZKGI remains actively involved with HortNZ on water-related policy and Zespri regarding its kiwifruit water and nutrient use research programme. NZKGI is represented on BOPRC's Regional and Environmental Sector Organisation Forum (RESOF), which provides NZKGI to offer early feedback as the council develops policy options for freshwater management.

### Challenging Times for Policy

The past year has seen many plans, policy, and legislation changes coming at the kiwifruit sector, and NZKGI is expecting more to land before the end of 2023 and during 2024.

In the past year, NZKGI has submitted the proposed National Policy Statement (NPS) – Indigenous Biodiversity, the NPS/National Environmental Standards (NES) Freshwater Amendments, Freshwater Policy Reviews (Visions and Values) for both Bay of Plenty and Waikato Regional Councils, Whākatāne District Council's Plan Change 6 – audible bird scaring devices (jointly with HortNZ), and the Pricing of Agricultural Emissions.

The Fresh Water Farm Plan regulations have recently been released and indications are that the NPS- Indigenous Biodiversity is imminent. The Natural and Built Environment Bill and Spatial Planning Bill were introduced to Parliament on 15 November 2022 and are progressing.

The Climate Change Adaptation Bill is likely to follow in 2023. There will also be a Smartgrowth Hearing in October 2023 (Western Bay of Plenty subregion) and ongoing meetings with the various regional councils as they work towards amending their freshwater rules to give effect to stricter national targets.

NZKGI will continue to review the policy as it comes to hand and provide comments and submissions as required. In addition, NZKGI will endeavour to provide practical feedback and advice to Growers on policy-related matters that are likely to affect them.

### Recognised Seasonal Employer Policy Review

In the recent RSE Policy Review, NZKGI advocated for policy changes to optimise the scheme for kiwifruit Growers. These recommendations included a three-year cap-setting and performance-based allocation

process underpinned by a labour supply/demand model. This supports a more predictable and efficient employment structure, ensuring kiwifruit Growers have consistent access to reliable labour. We also championed enhancing the inspection regime and creating a feedback system for employers, which would bolster compliance and effectively address potential breaches, ultimately benefiting kiwifruit Growers.

We opposed an RSE employment standard, visas being tied to one employer to enable RSE workers to move between RSE employers, and the notion of requiring an increase in minimum pay rates over time towards the median wage.

NZKGI expressed our support for more transparent practices around accommodation and deductions, coupled with an endorsement of a standardised work plan and travel visa flexibility under a specific employer. While we advocated for worker rights and protection measures, we have highlighted the benefit to Growers of an equitable and streamlined process, such as transferring workers in cases of exploitation rather than complete termination of labour resources. We have advocated for allocating increased resources to the Labour Inspectorate, implementing a 30-hour average requirement over a four-week period, and enhanced training for RSE workers. This will result in numerous benefits, not only for the workers themselves but also for the productivity and management efficiency of Kiwifruit Growers. With these advocacies, NZKGI aims to balance both the needs of our kiwifruit Growers and RSE workers, ensuring the ongoing success of the RSE scheme for the kiwifruit industry.

### Gisborne Rates Valuations Hearing

Over the past few years, NZKGI has relentlessly championed the rights of Growers concerning Councils' Rating Valuations. The implications of the Bushmere v Gisborne District Council case go beyond the individual parties involved, affecting all SunGold kiwifruit Growers and potentially other horticulture industries that use similar licensing models.

This dispute initially arose in December 2020 when the Gisborne District Council asserted that licences for cultivating SunGold kiwifruit, which carried a high cost per hectare, should contribute to increased land value, justifying a rise in rates.

Bushmere, supported by NZKGI, objected to this adjustment after experiencing a substantial surge in their small orchard's capital valuation. At the tribunal hearing, it was ultimately determined that a kiwifruit licence should not be deemed an enhancement to the land.

The High Court in 2022 then ruled that the value of a SunGold kiwifruit licence, owned by Bushmere Trust, must be incorporated into their property's capital value. This verdict diverged from the Land Valuation Tribunal's initial judgment.

The implications of this case are huge, and they will affect all SunGold kiwifruit Growers and potentially other horticulture industries that use similar licensing models.

In May 2023, our efforts continued unabated as we presented our case to the Court of Appeal. Our legal team gave its final opportunity to succinctly highlight the facts and history and elaborate our main arguments. We maintained that market value is not synonymous with the capital value of the land, that the enhancement effect is inapplicable here, and the licence does not run with the land. After a thorough hearing, we were optimistic that our argument - rates should be based on land value, not on the value of a business operation such as a kiwifruit licence - had found solid footing. The appeal however, was dismissed. NZKGI is now taking advice on next steps and will continue to advocate for growers where possible on this case.





IMAGE: Former St Paul's Collegiate Principal Grant Lander, NZKGI CEO Colin Bond and Westpac Agribusiness Analyst Kate Wilkins Celebrating Agribusiness in Schools 10th anniversary of which NZKGI is a proud supporter

## Labour

NZKGI is still very active in the labour space. Whilst the primary focus is on seasonal labour, the industry is also promoted as a career. This means the labour and education portfolio works with various stakeholders. This can be from central and local Governments, education providers and employers, to name a few. Details of significant projects/pieces of work are below.

### Labour Attraction Strategy

This has become a staple part of NZKGI's method to attract seasonal labour. The strategy has now won two awards. Due to the lower crop, the campaign was scaled back as much as possible for the 2023 harvest season. However, we have deliberately kept all the platforms and collateral active. This is crucial for the projected increase of crops for 2024, when labour demand is likely to be much greater than in 2023. In 2022 there were also videos created to help illustrate the potential careers in the industry. Nine profiles have been created and are slowly being released.

### Recognised Seasonal Employee (RSE) Scheme

The RSE Scheme continues to demand a lot of focus from NZKGI. This covers topics such as displaced RSE in the aftermath of Cyclone Gabrielle continuing border issues, etc. A submission has also been made on the RSE policy review, and there is more detail on this in the Environmental and Policy update.

## Bay of Plenty Labour Governance Group (BOPLGG)

The BOPLGG is currently chaired by NZKGI, with a distribution list of over 180 individuals. The group convenes three times annually to discuss various industry-related subjects through presentations. Past topics covered include Communicable Diseases, Compliance Assessment Verification (CAV) Compliance Tips, and updates on the new Temporary Migrant Visa Changes. The BOPLGG comprises industry-led working groups focused on Labour Utilisation, Immigration, Education & Training, Worker Pastoral Care, Accommodation/Transport, and Business Analysis. These collaborative groups aim to enhance the availability of seasonal labour and have successfully developed resources such as the Driving Guide.

### Looking After Our Industry's Workers

NZKGI continues to take a strong lead on compliance matters to ensure industry members are treated well. Weekly meetings with Zespri's compliance team continue. A report has been created and presented to the NZKGI Executive Committee at every meeting. There continue to be several employers that have lost their privilege to employ people within the industry. NZKGI still operates an employee support line. The use of this facility has been less this year than in the past. Most of the issues we have been contacted about are minor, usually related to pay discrepancies. Any issues of a more serious nature are reported to the appropriate authority.

## Education

NZKGI works to actively showcase the broad range of careers in the industry to a wide variety of newcomers, from school students to career changers. This is achieved by representing the industry at career expos (in schools and regional events), Field Days and Canvas. NZKGI, along with Priority One, also organise Cultivate Your Career, an industry-focused event targeting Year 10 and 11 students.

### Agribusiness in Schools

This programme has been developed at St Paul's Collegiate in Hamilton. It is available to students from across New Zealand, at NCEA Levels 2 and 3, who want to work in the agribusiness sector. It is run in collaboration with various industry partners, including NZKGI. The Agribusiness in Schools programme is a unique educational opportunity that enables secondary school students to broaden their knowledge and skills in the agribusiness sector. The programme aims to provide students with a comprehensive understanding and prepare them for employment within the industry.

### The Katikati Innovative Horticulture Project

The project is unique, innovative, and pioneering and is supported by the industry (including NZKGI), focusing on growing a skilled horticultural workforce. This project will create a centre of horticultural educational excellence catering for school-aged students, young people not in education, employment or training



(NEETs), and the community. It will bring together education, skills, and training providers offering pathways into horticulture, under one umbrella, based at Katikati College.

### Bay of Plenty Young Grower Competition

The Bay of Plenty Young Grower Competition is a notable event proudly organised by NZKGI in collaboration with the Bay of Plenty Young Fruit Growers Upskilling Committee. The competition aims to recognise and encourage the emergence of future leaders in the horticulture industry and highlight the varied career opportunities available. The competition also serves to develop participants' skills and showcase their innovative and competitive capabilities. The winner of the 2022 competition was Laura Schultz, an Avocado Grower Liaison Representative for Trevelyan's. A key highlight of the evening is the speech component, where competitors present a three-minute speech on a topic assigned by the committee and are evaluated by a panel of esteemed judges.

The overall winner of the Bay of Plenty Young Grower Competition represents the region at the 2023 Young Grower competition. All contestants also have the opportunity to compete for the Upskilling Scholarship. For more information about the Bay of Plenty Young Grower Competition, visit the website [www.bopyounggrower.co.nz/](http://www.bopyounggrower.co.nz/).

### The Kiwifruit Book

This publication remains a highly regarded resource for secondary school teachers of horticulture and, more recently, agribusiness. After careful consideration, it will be updated every second year with industry statistics released after harvest and significant events and topics that arise over the year. In 2023, a survey will be conducted to ensure the right areas are being focused on within the publication and how many people use the printed version compared to the online version. This

feedback will be taken into consideration when updating the 2024 edition.

### Future Leaders

Future Leaders was initially established in 2014 to develop and showcase potential future leaders of the kiwifruit industry by engaging them through regular education, networking, and social activities. The group is managed by an executive committee of volunteers from the horticulture industry. Events are held around these six key themes: Sustainability; Community; Innovation; Personal Development; Leadership & Social Activities.

In February 2022, we started the year with a virtual presentation on "Resilience" by New Zealand's clinical psychologist, author and documentary maker, Nigel Latta. Hosted by our own Bryce Morrison, Nigel provided tips on how to cope with the current situation and the season ahead.

In August 2022, we teamed up again with Carly Shorter from People Realm to provide follow-up training on the hugely successful Effective Communications course we held in 2021. The refresher course focussed on the four communication styles.

In September 2022 and hosted by our Future Leaders committee member, Robin Barker-Gilbert, we held our 6th Annual Future Leaders Quiz Night. With a record number of teams entering, the competition was tight. Fruition Horticulture took out first place, closely followed by Plant & Food Research and Apata, who took 3rd place.



IMAGE: NZKGI Forum member Sean Carnachan, Innovative Horticulture Manager Hilary Johnson, and Kiwifruit Grower John Bourke conduct the ceremonial opening of the new purpose-built Katikati Innovative Horticulture building, GrowHub

Our last event occurred in November 2022 with a visit to Plant & Food Research and the Kiwifruit Breeding Centre. Attendees got a firsthand look at the research and breeding programme for kiwifruit and, after this event, met at The Island for networking and socialising. There were a couple of changes to the Future Leaders Executive Committee in 2022. We said goodbye to Lauren Woolerton, who moved to Auckland to study. We welcomed Robin Barker-Gilbert to the Executive Committee. The committee would like to thank Lauren for her efforts on the Future Leaders Executive Committee.

We would like to thank all our hosts and attendees for our events.



# PERSONNEL CHANGES

Several changes to Forum representatives occurred within the last year. Peter Blair, Karen Roche, Jens Liesebach, and Louise Peters stood down as Forum Representatives, and the following representatives were instated:

**Gary Davies (Hawkes Bay/Lower North Island), Simon Craig (G6), Hayden Cartwright (Seeka Grower Entity).**

Regarding staff changes, NZKGI's Education Co-ordinator Di Holloway and NZKGI's Senior Policy Analyst Rebecca Gallagher left the organisation in 2022 and 2023, respectively.

In 2023 two new staff were instated; Senior Policy Analyst Abby Van De Ven and Events & Communications Officer Sam Vicente-Moa.

## EXECUTIVE COMMITTEE



**Mark Mayston**  
CHAIR & INDUSTRY SUSTAINABILITY



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



**Tammy Hill**  
COMMUNICATIONS LABOUR & EDUCATION



**Sally Gardiner**  
PERFORMANCE



**Sean Carnachan**  
LABOUR / EDUCATION



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

## NZKGI STAFF MEMBERS



**Colin Bond**  
CHIEF EXECUTIVE



**Mike Murphy**  
HEAD OF COMMUNICATIONS AND STRATEGIC PROJECTS



**Tanya Vickers**  
EXECUTIVE ASSISTANT



**Neil Moge**  
PERFORMANCE & SUPPLY MANAGER



**Georgia Monks**  
DATA/ POLICY ANALYST



**Kathy Mason**  
SENIOR POLICY ANALYST



**Gavin Stagg**  
WORKFORCE MANAGER



**Sam Vicente-Moa**  
EVENTS & COMMUNICATIONS OFFICER



**Abby Van De Ven**  
SENIOR POLICY ANALYST



# NZKGI PERFORMANCE SURVEY

IN NOVEMBER 2022, NZKGI'S THIRD ANNUAL PERFORMANCE SURVEY 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.

Generally, there is a positive resonance about NZKGI's performance in the 2022 survey. Responses show that NZKGI's portfolio areas are still essential and that NZKGI are still working well in these portfolios.

**70%** THINK NZKGI HAS PERFORMED WELL OR REASONABLY WELL OVER THE LAST 12 MONTHS

in comparison to the 2021 survey, which found **75%** think NZKGI has performed well or reasonably well in the last 12 months, and the 2020 survey, which found **77%** think NZKGI has performed well or reasonably well over the last **5-years**

**OVER 90%** STATED NZKGI'S PORTFOLIO AREAS ARE VERY IMPORTANT OR SOMEWHAT IMPORTANT (86% in 2021, 92% in 2020).

**83%** STATED NZKGI'S PORTFOLIO AREAS ARE VERY IMPORTANT OR SOMEWHAT IMPORTANT (82% in 2021, 84% in 2020)

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

As is in 2020 and 2021, themes mentioned by respondents included NZKGI's independence from Zespri (i.e. not being located in the Zespri building, holding 'Zespri to account' etc.) and being able to monitor the industry for Growers.

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

**60%** of Growers felt that there is room for more work to be undertaken with the central Government compared to **58%** in 2021 and **62%** in 2020.

There was a decrease in respondents stating having regularly attended the NZKGI AGM and read the NZKGI annual report to **52%** from **62%** in 2021 (48% in 2020).

### Are the organisations priorities correct?

Survey responses show that NZKGI's current portfolio areas are all considered important. Some respondents suggested that NZKGI place a higher priority on its independence from Zespri as well as being 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 or too much communication). Growers also generally felt that they are represented by their representatives.

**OVER 83%** STRONGLY AGREE OR SOMEWHAT AGREE THAT NZKGI WORKS WELL IN ITS PORTFOLIOS.

**82%** FIND THE INFORMATION THEY RECEIVE FROM NZKGI SUFFICIENT.

**53%** STRONGLY OR SOMEWHAT AGREE THEIR REPRESENTATIVE CAN PRESENT THEIR VIEWS AT FORUM.



# NZKGI LEVY RENEWAL

THROUGHOUT FEBRUARY AND MARCH 2023, GROWERS VOTED IN A REFERENDUM TO RENEW THE LEVY, WHICH FUNDS NZKGI FOR THE NEXT SIX-YEAR CYCLE.

Of those who voted, 91% of Growers supported the proposed levy, equating to 94% of their total production of the foregone season. Votes were cast by 54% of Growers eligible to vote in the referendum, representing 68% of total production.

Throughout February and March 2023, Growers voted in a referendum to renew the levy, which funds NZKGI for the next six-year cycle. Of those who voted, 91% of Growers supported the proposed levy, equating to 94% of their total production of the foregone season. Votes were cast by 54% of Growers eligible to vote in the referendum, representing 68% of total production.

This excellent result reflects the return on investment NZKGI has delivered Growers over the last six years. It was an especially pleasing turnout despite the adverse weather and harvest throughout the referendum period, which put Growers under the pump. The kiwifruit industry is experiencing a challenging time. Still, NZKGI is focused on overcoming these issues, be they driven by changes to climate or regulations, and ensuring Growers are receiving maximum benefit from the industry structure.

Kiwifruit Growers first voted to establish a kiwifruit commodity levy to fund the operation of NZKGI in 2011. The levy will be used to continue to fund the operations of NZKGI, and, in particular, there will be significant new activity in performance monitoring.

	2011	2017	2023
Voters who voted YES	87%	85%	91%
Percentage of production from Growers voting YES	85%	88%	94%

# STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2022	2021
<b>Revenue</b>			
<b>Revenue from Provision of Services</b>			
Commodity Levy		1,775,913	1,763,522
Project Income	7	101,339	262,627
Total Revenue from Provision of Services		1,877,252	2,026,149
<b>Interest and Investment Revenue</b>			
Interest Income		12,841	1,858
Total Interest and Investment Revenue		12,841	1,858
<b>Total Revenue</b>		1,890,093	2,028,007
<b>Total Revenue</b>		<b>1,890,093</b>	<b>2,028,007</b>
<b>Expenses</b>			
Executive Committee & Forum Members	8	282,192	225,922
Staff	9	996,563	1,014,685
Overhead Expenses	10	191,643	162,921
Industry Stability		23,163	1,830
Communications		53,528	74,502
Performance		36,163	31,125
Labour / Education		162,575	296,626
Environment & Policy		232,189	83,388
Organisational Management		51,416	23,614
<b>Total Expenses</b>		2,029,431	1,914,612
<b>Net Operating Profit / (Loss) Before Tax</b>		<b>(139,338)</b>	<b>113,395</b>
<b>Provision for Tax</b>			
Provision for Tax	15	3,315	240
<b>Total Provision for Tax</b>		3,315	240
<b>Net Profit / (Loss)</b>		<b>(142,653)</b>	<b>113,155</b>

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



# STATEMENT OF FINANCIAL POSITION

	Notes	2022	2021
<b>Assets</b>			
<b>Current Assets</b>			
Accrued Income	3	-	183,085
Bank Accounts and Cash	4	1,323,256	1,243,345
Debtors		191,331	260,259
GST Receivable		2,730	-
Total Current Assets		1,517,317	1,686,690
<b>Non- Current Assets</b>			
Fixed Assets		26,106	29,710
Intangibles		4,455	4,455
Total Non-Current Assets		30,561	34,165
<b>Total Assets</b>		<b>1,547,878</b>	<b>1,720,855</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accruals and Provisions	5	95,358	38,307
Accrued Holiday Pay		34,566	27,787
Credit Cards		2,350	1,634
Creditors		52,709	67,794
GST Payable		-	19,457
Income in Advance	6	-	61,339
Tax Provision	15	1,068	56
Total Current Liabilities		186,051	216,374
<b>Total Liabilities</b>		<b>186,051</b>	<b>216,374</b>
<b>Net Assets</b>		<b>1,361,827</b>	<b>1,504,481</b>
<b>Equity</b>			
Retained Earnings		1,361,827	1,504,481
Total Equity		1,361,827	1,504,481

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

# STATEMENT OF CHANGES IN EQUITY

	2022	2021
<b>Equity</b>		
Opening Balance	1,504,481	1,391,326
<b>Increases</b>	3,315	240
Net Surplus / (Loss) for the Period	(142,653)	113,155
<b>Total Increases</b>	(142,653)	113,155
<b>Total Equity</b>	<b>1,361,827</b>	<b>1,504,481</b>

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

These summary financial statements have been extracted from the audited financial statements prepared for New Zealand Kiwifruit Growers Incorporated. 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**

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

# BUDGET 2024

	Actual 2022 Final	Approved Budget 2023	Revised Budget 2023	Budget 2024
<b>Income</b>				
Commodity Levy	\$1,775,913	\$2,057,000	\$1,474,000	\$1,980,000
Interest Income	\$12,841	\$5,000	\$15,000	\$10,000
Project Income	\$101,339	-	-	-
Other Income				
<b>TOTAL INCOME</b>	<b>\$1,890,093</b>	<b>\$2,062,000</b>	<b>\$1,489,000</b>	<b>\$1,990,000</b>
<b>Expenses</b>				
Exec Cmte & Forum Members	\$282,192	\$342,060	\$342,060	\$ 303,060
Staff	\$996,563	\$1,064,537	\$1,064,537	\$1,119,821
Overhead Expenses	\$191,644	\$197,122	\$212,092	\$218,892
Industry Stability	\$23,163	\$30,000	\$25,000	\$25,000
Communications	\$53,528	\$71,000	\$66,000	\$47,000
Performance	\$36,163	\$65,000	\$55,000	\$40,000
Labour/ Education	\$162,575	\$186,800	\$156,800	\$93,500
Environment & Policy	\$232,187	\$72,340	\$288,340	\$82,340
Organisational Management	\$51,416	\$35,200	\$35,200	\$41,200
<b>TOTAL EXPENSES</b>	<b>\$2,029,431</b>	<b>\$2,064,059</b>	<b>\$2,245,029</b>	<b>\$1,970,813</b>
<b>Net operating Profit/ (Loss Before)</b>	<b>(139, 338)</b>	<b>(2,059)</b>	<b>(756,029)</b>	<b>19,187</b>
Provision for Tax	\$3,315			
<b>Net Profit/ (Loss)</b>	<b>(142,653)</b>	<b>(2,059)</b>	<b>(756,029)</b>	<b>19,187</b>
Prior Year Retained Earnings	1,504,480	1,361,827	1,361,827	605,798
<b>Retained Earnings Year End</b>	<b>1,361,827</b>	<b>1,359,768</b>	<b>605,798</b>	<b>624,985</b>

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



## ANNUAL REPORT 2023

25 Miro Street, PO Box 4246  
Mt Maunganui South 3149  
New Zealand

TOLL FREE: 0800 232 505  
P. 07 574 7139 E. [info@nzkgi.org.nz](mailto:info@nzkgi.org.nz)

[www.nzkgi.org.nz](http://www.nzkgi.org.nz)

