
NOT FOR DISTRIBUTION TO THE MEDIA OR DISTRIBUTION OUTSIDE THE INDUSTRY

MINUTES OF NZKGI's ANNUAL GENERAL MEETING

Held at ASB Arena, Tauranga

31 August 2016

Present: Doug Brown (Chair), Jim Gray, Rereamanuu Wihapi, Steven Fisher, Adrian Goult, Ratahi Cross, Keiran Harvey, Dave Whalley, Ian Coventry, Andrew Fenton, Hendrik Pieters, Ian Douglas, Robert Knyvett, Warren Jeffcott, Graham Milne, Anton Boeyen, Michael Baillie, John Schrider, Paul Jones, Ian Schultz, Chris Anstis, Nathan Flowerday, Ian Greaves, Bruce Cameron, John Shipp, Lynn Gillespie, Pua Taikato, Sean Carnachan, Laurie Barclay, Allister Hawkey, Craig Pooley, Rodger Bagshaw, Dave Tanner, Sally Gardiner, Peter Omblor, Barry O'Neil, Neil Te Kani, Andre Hickson, Carol Craig, Debbie Oakley, Dermott Malley, John Cook, John Erickson, Mark Mayston, Mark Gardiner Matt Moore, Mike Smith, Paul Edkins, Paul Thomas, Phil Jones, Sandi Clink, Simon Cook, Sean Carnachan, Terry Richards, Tony Leicester, Ross Bawden, Pauline Kell, Less Kell, Seth Pardoe, Nick Lawrence, Austin Benn, Ann Benn, John Knowles, Dave Mackie, Tom Davies, Jill Davies, Peter Mourits, Robyn Gardiner, Craig Pooley

In Attendance: Nikki Johnson (CEO), Mike Chapman, Amy Porter, Sonia Whiteman, Warwick Lampp, Julian Raine, Ruth Underwood, Campbell Graham, Alison McCulloch, Lara Harrison, Jacqui Craig, Elyse Patchett, Kate Longman, Dave Courtney, Sue Groenewald, Neil Malcom, Tom MacMorran, Renee Fritchley

Apologies: Neil Trebilco, Stuart Weston, Peter McBride, Colin Jenkins and Lois Pearson, Rob Craig, Leslie McKenzie

1. APOLOGIES, PREVIOUS MINUTES AND MATTERS ARISING

Apologies

The meeting accepted apologies from Neil Trebilco, Rob Craig, Stuart Weston, Peter McBride, Colin Jenkins, Lesley McKenzie and Lois Pearson.

Moved: Doug Brown/Simon Cook

Carried

Confirmation of Previous Minutes

Resolution: The minutes of the Annual General Meeting held on 24 July 2015 as amended be approved as a true and accurate record.

Moved: Tony Leicester/Carol Craig

Carried

Matters Arising

There were no matters arising.

2. PRESIDENT'S REPORT INCORPORATING THE EXECUTIVE COMMITTEE AND OTHER COMMITTEES' REPORTS

The reports circulated within the Annual Report were taken as read. The President then spoke to his report drawing attention to the following points:

- Record volumes in a late season - pressure was on
- Volumes will continue to rise - need to adapt
- Orchard values are high
- Changes in Staff, Executive and Forum
- Focus on Strategic Objectives
- Industry unity is key to our future

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

- Fresh start - new look, new Annual report, six key portfolios
- Work plan to focus our activity
- New website under development
- Refreshed financial accounting by portfolio
- Communication and grower input are key

The Chairman presented the Strategic Plan as outlined on page 13 of the Annual Report. He briefly discussed the Mission Vision and Objectives and the associated portfolios. Growers were advised that a strategic work plan has been approved by the Forum to support the Strategic Plan.

There were no questions or discussion on the Annual Report.

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

Moved: Mark Mayston/Don Kemp

Carried

3. FINANCIAL STATEMENTS

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

The organization achieved a greater than budgeted surplus of \$113,415 (after tax), leaving accumulated funds of \$726,677 at the end of 2015. Based on the 2016 budget, a loss of \$102,976 is expected leaving accumulated funds of \$623,704 at the end of 2016.

There were no questions or discussion on the annual financial statements.

Resolution: That NZKGI's Financial Statements for the period ending 31 December 2015 be approved.

Moved: Tony Leicester / Sean Carnachan
Carried

4. 2017 BUDGET

The 2017 budget circulated with the Annual Report was presented to the meeting by Nikki Johnson as follows:

The proposed budget provides for:

- Levy income based on 150m TE
- Expenditure of \$1,506,002
- Resulting in an operating loss of \$1,998 to be funded by retained earnings
- Retained earnings reduce to \$625,702
- It was also noted that the Levy is up for renewal in 2017.

2017 Work Plan

- New structure based on portfolio activity
- New projects resulting from KISP and Strategic Review
- Full work plan available
- Proposal for additional staff member to focus on Performance portfolio

The CEO introduced the proposal to increase the levy rate from 0.9c to 1.0c per tray to fund the work plan.

- 150m TE @ 0.9c = \$1,350,000
 - deficit of \$148,002
- 150m TE @ 1.0c = \$1,500,000
 - Deficit of \$ 1,998

It was noted that the Levy is due for renewal in 2017.

Discussion and Answers to Questions

- It was clarified that both NZKGI and KVH are taking a 1 cent levy each per TE from growers.
- The 150m TE crop estimate was queried due to being 10 million TE greater than the KVH estimate. The Chairman indicated that the most recent Zespri estimate is 154.3 million and therefore 150 million was considered to be achievable.
- A grower question if the levy rate would be increased again next year. The Chief Executive responded that this was up to growers but it was not anticipated that a further levy rate increase would be required next year.

There were no further questions or discussion on the budget or levy rate.

Resolution: That NZKGI's Budget for the year ending 31 December 2017 be approved and that the 2017 year levy rate for the purposes of the Commodity Levies (Kiwifruit) Order 2012 be set at 1.0 cents per tray (0.28 cents per kilogram).

Moved: Andre Hickson/ Mark Mayston
Carried

5. AMENDMENTS TO NZKGI'S RULES

Nikki Johnson introduced the proposed amendments to NZKGI's rules. These amendments were proposed at the request of the Forum as clarification of rule amendments made at the 2015 AGM. The Forum have discussed the rules changes and approved them. A full marked up copy of the rules was available to all members. A summary of the changes were presented:

Amend 5.1 (a) and (b)

To make the primary focus of NZKGI's monitoring activities Zespri, and the secondary focus of NZKGI's monitoring activities all other industry organisations.

Amend Rule 8.6

Allows for review of the clause following KISP Supply Agreement and Industry Supply Group project completion

Amend 9.1

Minimum number of Forum meetings increased from 2 to 4

Amend 10.3

Appointment of independent member of Executive Committee to be discretionary

Amend 13.1

50 members required to request Special Meeting

Amend 17.1

Clarify voting for Rule amendments is tray weighted

Amend Schedule 2 Rule 4 (4th bullet)

Members required to consider views of the industry when casting votes

There was no discussion

Resolution: That the amendments to NZKGI's rules as summarised below and as shown in the marked up version of the Rules available on NZKGI's website www.nzkgi.org.nz be approved.

Moved: Mark Mayston/Neil Te Kani
Carried

6. OTHER ITEMS OF BUSINESS

None were notified prior to the meeting

7. MEMBER FORUM

Monitoring of Zespri

The comment was made that the purpose of NZKGI was to have checks and balances on Zespri and that there needs to be a means of measuring the performance of Zespri. The Chairman responded that this is a key activity area for NZKGI and there is additional resource provided for in the budget and in the strategic work plan for this work.

There were no further comments or queries.

The Meeting closed at 11.35am

Minutes Confirmed

Chairman

Date