



# Explanation of Resolutions

## Previous Minutes

The minutes of the Annual General Meetings of Kiwifruit Vine Health Incorporated and The KVH Foundation Incorporated held on 28 November 2012 be approved as a true and accurate record.

### **Explanatory Information**

*The previous minutes have been distributed with the agenda papers. The Chairman will invite members to discuss the content of the previous minutes and invite members to ask any questions. The Chairman will then put the above resolution to the meeting. The resolution requires Zespri, NZKGI and 70% of the Registered Suppliers to vote in favour of the resolutions for it to pass.*

The KVH Board **recommends** the Members approve the minutes of the Annual General Meeting held on 28 November 2012.

## Chairman's Report and KVH Activity Report

The Chairman's Report and the KVH Activity Report be approved.

### **Explanatory Information**

*These reports have been distributed with the agenda papers. The Chairman will speak to the written report, invite members to discuss the content of this report and invite members to ask any questions. The Chairman will then put the above resolution to the meeting. The resolution requires Zespri, NZKGI and 70% of the Registered Suppliers to vote in favour of the resolutions for it to pass.*

The KVH Board **recommends** the Members approve the Chairman's Report and the KVH Activity Report.

## Financial Report and Statements

Kiwifruit Vine Health Incorporated's and The KVH Foundation Incorporated's Financial Reports and Statements for 12 months ending 30 June 2013 be approved.

### **Explanatory Information**

*The commentary and fully audited financial reports and statements for both organisations have been distributed with the agenda papers. An unqualified audit opinion has been signed off for Kiwifruit Vine Health Incorporated and is in the process of being signed off for The KVH Foundation Incorporated. Only minor formatting adjustments were required as a result of the audit and no significant areas of concern were noted by the auditors. KVH's Accountant will present the financial statements and invite members to question any aspect of the statements. The resolution requires Zespri, NZKGI and 70% of the Registered Suppliers to vote in favour of the resolutions for it to pass.*

The KVH Board **recommends** the Members approve the Financial Statements of Kiwifruit Vine Health Incorporated and The KVH Foundation Incorporated.

## 2014 / 2015 Budget

Kiwifruit Vine Health Incorporated's and The KVH Foundation Incorporated's Budgets for the 2014 / 2015 year be approved.

### **Explanatory Information**

*The commentary and proposed budgets have been distributed with the agenda papers. National Pest Management Plan costs are expected to steady and reduce over the coming years. It is anticipated that through KVH's growing role in the Wider Biosecurity area KVH's actual spend will increase as outlined in the budget; this however is subject to securing additional funding to carry out these roles. KVH's Accountant will present the budgets and invite members to question any aspect of the budgets. The resolution requires Zespri, NZKGI and 70% of the Registered Suppliers to vote in favour of the resolutions for it to pass.*

The KVH Board **recommends** the Members approve the 2014 / 2015 Budget.

## Reappointment of Auditors

Bennetts Proactive be reappointed as the auditor of Kiwifruit Vine Health Incorporated and of the KVH Foundation Incorporated for the 2013 / 2014 financial year.

### **Explanatory Information**

*KVH have engaged Bennetts Proactive as their independent, external auditor since 2011. There is no reason to change auditors and Bennetts Proactive have performed their audit duties proficiently. The resolution requires Zespri, NZKGI and 70% of the Registered Suppliers to vote in favour of the resolutions for it to pass.*

The KVH Board **recommends** the Members approve the reappointment of Bennett Proactive as the external auditor for Kiwifruit Vine Health Incorporated and The KVH Foundation Incorporated for 2014.

## 2014 Levy Rate

The National Pest Management Plan levy rate be approved to remain at the current rate agreed at last year/s Annual General Meeting at 1 cent per tray of Green Kiwifruit and 2 cents per tray of Gold Kiwifruit for the 2014 / 2015 financial year.

### **Explanatory Information**

*The National Pest Management Plan allows for a grower levy to be set. The current 2013 levy rate was set last year for the first time and is 1 cent per tray of Green Kiwifruit and 2 cents per tray of Gold Kiwifruit. For the 2014 / 2015 year the levy rate has been kept at the current rate as KVH is meeting additional costs arising from the implementation of the National Pest Management Plan. In addition the Ministry for Primary Industries has instructed that in order for KVH to access the unspent government funds from the \$50 million Psa response fund, KVH is required to strike the levy at this rate. Therefore due to the changing environment and roles of KVH, the KVH Board has concluded that it is prudent fiscal management to maintain the current levy rate in order to ensure KVH has sufficient resources to continue to provide the required on-going support and response to the Psa incursion. The resolution requires Zespri, NZKGI and 70% of the Registered Suppliers to vote in favour of the resolutions for it to pass.*

The KVH Board **recommends** the members that the levy rate for remain at the rate of 1 cent per tray of Green kiwifruit and 2 cents per tray of Gold kiwifruit.

## **Appointment of Directors (no resolution required)**

Under KVH's Rules each year at the AGM three out of the six industry appointed directors retire. Retiring Directors may be re-appointed. Zespri, NZKGI and Registered Suppliers each appoint one director each year in time for the AGM. Directors may be replaced at any time by the appointing parties. Directors have a two year term.

At the AGM the new appointments will be announced.

## **Directors Remuneration**

The Directors fees be approved to remain as set at the Annual General Meeting on 28 November 2012:

Chairman      \$27,500 per annum

Directors      \$15,000 per annum

Noting that at KVH's next AGM the Zespri Directors' Remuneration Committee will be reporting back on what are appropriate Director Fees

### ***Explanatory Information***

*At the Annual General Meeting on 28 November 2012 the Members agreed to a reduction in Directors fees as follows:*

*Chairman      \$27,500 per annum*

*Directors      \$15,000 per annum*

*What KVH Directors are currently paid is being considered by the Zespri Board Remuneration Committee. This committee has agreed to report back at the next Annual General Meeting of the organisations. The Directors therefore recommend that the director fees are unchanged this year and are fully reviewed in 2014.*

*The resolution requires Zespri, NZKGI and 70% of the Registered Suppliers to vote in favour of the resolutions for it to pass.*

## **Biosecurity Government Industry Agreement Deed and Fruit Fly Operational Agreement**

Kiwifruit Vine Health Incorporated be approved and authorised to enter into the Biosecurity Government Industry Agreement Deed on behalf of the New Zealand Kiwifruit Industry and that Kiwifruit Vine Health Incorporated be authorised to conclude and enter into a Fruit Fly Operational Agreement with Ministry of Primary Industries and other horticultural sectors.

### ***Explanatory Information***

*The new Government Industry Agreement (GIA) establishes an integrated approach to manage biosecurity readiness and response activities through partnerships between government and industry. GIA is formalised under a legal Deed of Agreement that will be available for industries to sign shortly. The kiwifruit industry, along with other New Zealand primary industries, must decide if they wish to be a signatory to this GIA Deed.*

*Under the current biosecurity system, the government funds and makes most of the decisions on biosecurity activities. Under GIA this will no longer be the case. Instead, all industries beneficiary to a biosecurity response will be subject to cost recovery. However, industries signatory to the Deed have the ability to manage the level of these costs and influence how these funds are spent. As an incentive for early signatories, MPI will cover 100% of response costs and a high proportion of readiness costs within a three year period of the Deed being signed.*

*GIA is intended to deliver better biosecurity outcomes through closer alignment of priorities between primary industries and government; however it is the priorities of signatories that will be of greatest consideration as only signatories will be involved in the decision making process. As a signatory to the Deed, the kiwifruit industry can be involved in decisions and ensure that outcomes are in line with our industry's best interest.*

*Signatories will have a greater certainty that a response will occur for pests of concern to their industry, particularly if it is an organism that they have identified as a priority high risk pest and developed a GIA Operational Agreement for. Fruit fly has been identified as the first high priority pest of focus for New Zealand's horticultural industries—given the likelihood of entry and establishment and potential losses through crop damage and market access implications. KVH has already prepared a draft Operational Agreement for fruit fly which is being discussed with MPI and other horticultural industries, but isn't able to formally negotiate and finalise the draft operational agreement unless we have become a Deed signatory.*

*The resolution requires Zespri, NZKGI and 70% of the Registered Suppliers to vote in favour of the resolutions for it to pass.*

The KVH Board **recommends** the Members both agree that Kiwifruit Vine Health enter into the GIA Deed on behalf of the NZ kiwifruit industry and to enter into a Fruit Fly Operational Agreement with the Ministry of Primary Industries and other horticultural sectors.

## **General Business**

Items to be taken from the meeting.