



# Agenda

## Kiwifruit Vine Health Incorporated

### Annual General Meeting

### Wednesday 18 August 2021 at 9.00am

Suite 1, Trustpower Arena - Baypark, Truman Lane, Mt Maunganui

1. Welcome, Apologies and Confirmation of Quorum (quorum of 20 members required, inclusive of body corporates) – Chair, David Tanner
2. Approval of the Minutes of the Annual General Meeting of Kiwifruit Vine Health Incorporated held on 18 August 2020 and Matters Arising from those Minutes – Chair, David Tanner
3. Chairman & Chief Executive Reports - Chair, David Tanner
4. Kiwifruit Vine Health Incorporated's Financial Reports and Statements – Chief Executive, Leanne Stewart
5. Approval of the 2022-23 Biosecurity (Readiness and Response – Kiwifruit Levy) Order 2015, the Biosecurity (Psa-V—Kiwifruit Levy) Order 2013 and the Biosecurity (National Pathway Management Plan – Kiwifruit) levy rates - Chief Executive, Leanne Stewart
6. Kiwifruit Vine Health Incorporated's budget for 2022-23 - Chief Executive, Leanne Stewart
7. Appointment of the Auditor for Kiwifruit Vine Health Incorporated - Chair, David Tanner
8. Directors Remuneration - Chair, David Tanner
9. Confirmation of Director Elections - Chief Executive, Leanne Stewart
  - Appointment of Independent Director
10. General business

Business to be taken from people in attendance at the meeting provided that no motions are required to be passed. It is a requirement of the Rules that all Members must be given at least three business days' written notice of the business to be conducted of any Society meeting.
11. Close of Business

Following the meeting please join the KVH Board, and NZKGI Executive for morning tea followed by an address by Ian Proudfoot, KPMG on the  
**2021 KPMG Agribusiness Report**

Rule 10.4 requires that all Members must be given at least three business days' written notice of the business to be conducted of any Society meeting. Two additional business days should be allowed to be able to deliver that written notice to all Members.

**Explanation of Voting at AGM and of Grower Directors**

**The business to be conducted at the AGM** is set out in the above agenda. Voting put to the AGM is by online and optional postal ballot and by voting at the AGM on the separate voting form. Unless otherwise specified voting papers submitted to KVH by post or by Members attending the AGM by the end of the AGM will be counted. The Boards will declare the result of the voting on resolutions put to the AGM following the AGM on the website and in the KVH Bulletin on 19 August 2021.



# Annual General Meeting

## Kiwifruit Vine Health Incorporated

18 August 2020 at 9.00am

**Held at:** KVH Meeting Room, 25 Miro Street, Mount Maunganui & by Microsoft Teams Video Conferencing

**Members in attendance:**

David Tanner (Chair), Graeme Marshall (Director), Simon Cook (Director), Craig Thompson (Director), Cody Bent (Associate Director).

**Members via Microsoft Teams Video Conferencing:**

Whetu Rolleston, Nicolas Woolsey, Tom Davies, Dermott Malley (Director), Ian McClennan, Jessica Smith, Phil Jones, Sally Gardiner, Robert Humphries, Nathan Flowerday, Amanda Flowerday, Scott St George, Barry O'Neil, Helen Allan, Chris Anstis, John Bourke, Mike Smith, John Knowles, Steve Butler, Karen Pickford, Ross Bawden, Mark Gardiner, Debbie Oakley, James Trevelyan & Anaru Timutimu.

**Attending the meeting:**

Stu Hutchings (Chief Executive), Jacqui Craig (Board Secretary) & Lisa Gibbison.

**Attending via Microsoft Teams Video Conferencing:**

Sue Groenewald, Ruth Underwood, Nikki Johnson, Sarah Cameron, Erin Lane, Tanya Vickers, John Mather, Matt Dyck, Richard Dey (William Buck), Linda Peacock, Craig Ward, Elaine Gould, Turi Ngatai, Mike Murphy, Karyn Lowry, Monique Finlay, Martina Balasova, Di Holloway, Sonia Whiteman, Mike Chapman, Gavin Stagg & Oliver Broad.

**Apologies:**

Nicki Paget & John Cook.

Item	Discussion
<b>Meeting Administration</b>	<ul style="list-style-type: none"><li>• Those present were welcomed to the meeting.</li><li>• The meeting accepted the apologies.</li><li>• The Chairman instructed the members on how to raise topics during the meeting.</li><li>• The Chairman advised that Isiah Roberts of Electionz was the independent scrutineer and that voting had been extended and would now close at 5.00pm.</li><li>• The Chairman requested confirmation of the quorum, which was confirmed by the Board Secretary.</li><li>• The KVH 2020 AGM was declared open by the Chairman.</li><li>• The Chairman asked for items of General Business of which there were none.</li></ul> <p><b>Minutes of the Annual General Meeting held on 24 July 2019.</b> The meeting considered the minutes of the previous meeting which were distributed with the AGM papers.</p>

	<p>Resolution 1:  <b>Resolved that:</b>  <b>The minutes of the 2019 Kiwifruit Vine Health Inc Annual General Meeting held on 24 July 2019 be approved as a true and accurate record.</b>  <i>Simon Cook/Dermott Malley</i></p> <p><b>Matters Arising</b>  There were no matters arising from the minutes.</p>
<b>Chairman &amp; Chief Executive Reports</b>	<p>David Tanner introduced the Chairman's Report. The Chair noted some key points from the previous 12 months in his report which included:</p> <ul style="list-style-type: none"> <li>• COVID-19 and the parallels and learnings for biosecurity incursion management.</li> <li>• The introduction of the proposed pathway plan and the need for growers to engage in the consultation process.</li> <li>• KVH's appreciation of their collaborative relationship with MPI.</li> </ul> <p>Stu Hutchings introduced the Chief Executive's Report. The CE noted some key points in his report which included:</p> <ul style="list-style-type: none"> <li>• The four major priority areas within the KVH Strategy – A kiwifruit Industry committed to biosecurity excellence; Incursion Readiness &amp; Response; Innovation in biosecurity management; Pathway risk management.</li> </ul> <p>Resolution 2:  <b>Resolved that:</b>  <b>The Chairman and the Chief Executive's report be approved.</b>  <i>David Tanner/Barry O'Neil</i></p>
<b>Financial Reports</b>	<p>A full set of the Annual Accounts to 31 March 2020 were distributed with the AGM papers. A summary of the financial reports and statements was presented by Stu Hutchings noting:</p> <ul style="list-style-type: none"> <li>• An unqualified audit report has been signed off for KVH by William Buck</li> <li>• A slight decrease in income from the previous year due to less trays levied</li> <li>• NPMP (Psa) levy reduced from 0.6c to 0.2c to utilise the reserves</li> <li>• Biosecurity levy increased from 1.0c to 1.4c to build reserves due to fruit fly response</li> <li>• Total expenses increased \$168k from 2019</li> <li>• Key changes that contributed to this were expansion of the wild kiwifruit control programme and initiation of two new strategic projects</li> <li>• Overall deficit of \$88.7k</li> <li>• Deliberately ran Psa reserves at a loss to utilise excess reserves</li> <li>• Final total reserves \$2.096m</li> </ul> <p>Resolution 3:  <b>Resolved that:</b>  <b>Kiwifruit Vine Health Incorporated's Financial Report for the twelve months ending 31 March 2020 be approved.</b>  <i>Graeme Marshall/Karen Pickford</i></p>
<b>Levy Changes</b>	<p>Stu Hutchings presented the Biosecurity NPMP Levy and Biosecurity Readiness &amp; Response Levy rates. Key points included:</p> <ul style="list-style-type: none"> <li>• Funds cannot be transferred between Psa and biosecurity activities and unused funds cannot be returned.</li> </ul>

	<ul style="list-style-type: none"> <li>• Reminding the members that the total levy rate has not changed and remains at 1.6c per tray.</li> <li>• Recommending the Psa levy is reduced to 0.1c per tray of fruit exported (other than to Australia) to further utilise existing reserves.</li> <li>• The need to build biosecurity reserves due to our fiscal responsibility under GIA.</li> <li>• Recommend increasing the biosecurity levy by 0.1c to 1.5c per tray of fruit exported (other than to Australia).</li> </ul> <p>Barry O'Neil asked what the target reserves are set at and Stu Hutchings advised that the target reserves are currently set at \$1.7m however this will need to be reviewed to allow for future biosecurity responses.</p> <p>Resolution 4</p> <ol style="list-style-type: none"> <li>1. <b>That for the year ending 31 March 2022 the Biosecurity (Psa-V – Kiwifruit) Levy reduce to the rate of one tenth of a cent (1/10<sup>th</sup> of a cent) per tray equivalent on all commercial varieties of kiwifruit except <i>Actinidia arguta</i>, exported to all markets other than Australia.</b></li> <li>2. <b>That for the year ending 31 March 2022 the Biosecurity (Readiness &amp; Response – Kiwifruit) levy, increase to the rate of one and five tenths of a cent (1 &amp; 5/10<sup>th</sup> of a cent) per tray equivalent on all commercial varieties of kiwifruit except <i>Actinidia arguta</i>, exported to all markets other than Australia.</b></li> </ol> <p><i>Simon Cook/Mark Gardiner</i></p>
<b>KVHI Budget</b>	<p>The budget for Kiwifruit Vine Health Incorporated for the 2021/2022 year was circulated with the AGM papers and was presented by Stu Hutchings. It was noted as follows:</p> <ul style="list-style-type: none"> <li>• Budget shown in comparison to the current revised 2020/2021 reforecast budget.</li> <li>• Income based on estimate of 162m trays exported - \$2.6m</li> <li>• Overall combined surplus \$283k in comparison to budgeted \$181k surplus for 2019/2020 year</li> </ul> <p>Resolution 5: <b>Resolved that:</b> <b>Kiwifruit Vine Health Incorporated Budget for 2021/2022 year be approved.</b> <i>Dave Tanner/Karen Pickford</i></p>
<b>Appointment of Auditor</b>	<p>No questions or issues were raised, and no comments made.</p> <p>Resolution 6: <b>Resolved that:</b> <b>William Buck be appointed as the auditor of Kiwifruit Vine Health Incorporated for the 2020-2021 financial year.</b> <i>Dermott Malley/Nathan Flowerday</i></p>
<b>Directors Remuneration</b>	<p>David Tanner presented the KVH Board recommendation regarding increasing the Directors fees by 2.5% CPI increase from 1 August 2020.</p>

	Resolution 7: <b>Resolved that:</b> <b>The Directors fees be CPI adjusted from 1 August 2020 to the following rates.</b> <table><tr><td><b>Chairman's fees</b></td><td>Currently \$34,440.00</td><td>New Fees \$35,301.00</td></tr><tr><td><b>Directors fees</b></td><td>Currently \$17,220.00</td><td>New Fees \$17,650.50</td></tr></table> <i>John Bourke/Karen Pickford</i>			<b>Chairman's fees</b>	Currently \$34,440.00	New Fees \$35,301.00	<b>Directors fees</b>	Currently \$17,220.00	New Fees \$17,650.50
<b>Chairman's fees</b>	Currently \$34,440.00	New Fees \$35,301.00							
<b>Directors fees</b>	Currently \$17,220.00	New Fees \$17,650.50							
<b>Director Elections</b>	There was one grower member vacancy for the KVH Board and one candidate standing for election. Therefore, no resolution is required, and Simon Cook was duly elected to the KVH Board for a three-year term.								
<b>General Business</b>	No general business was raised.								
<b>Close of AGM</b>	The Chairman thanked the members for attending the AGM and supporting the activities of KVH and closed the meeting at 9.45am.								

Minutes approved as a true and correct record.

Signed:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date



# Explanation of Resolutions

## Kiwifruit Vine Health Incorporated - 2021 Annual General Meeting

### 2020 Annual General Meeting Minutes – Resolution 1 (Item 2 of Agenda)

**Proposed resolution:**

That the minutes of the Annual General Meeting of Kiwifruit Vine Health Incorporated held on 18 August 2020 be approved as a true and accurate record.

***Explanatory Information***

*The minutes for the last Annual General Meeting, held on 18 August 2020 have been distributed with the agenda papers. The Chairman will invite members to discuss the content of the previous minutes and to ask any questions. The Chairman will then put the above resolution to the meeting.*

*The resolution requires 50% or more of the votes cast by Members to be in favour of the resolution for it to pass.*

**Board recommendation:**

The KVHI Board recommends that Members approve the minutes of the Annual General Meeting held on 18 August 2020.

### Chairman's and Chief Executive's Reports – Resolution 2 (Item 3 of Agenda)

**Proposed resolution:**

That the Chairman and Chief Executive's Reports for Kiwifruit Vine Health Incorporated be approved.

***Explanatory Information***

*These reports have been distributed with the agenda papers. The Chairman and Chief Executive will speak to their reports and invite members to discuss the content of the reports and ask any questions. The Chairman will then put the above resolution to the meeting.*

*The resolution requires 50% or more of the votes cast by Members to be in favour of the resolution for it to pass.*

**Board recommendation:**

The KVHI Board recommends that Members approve the Chairman and Chief Executive's Reports.

## Financial Reports – Resolution 3 (Item 4 of Agenda)

### Proposed resolution

That Kiwifruit Vine Health Incorporated's Financial Report for the twelve months ending 31 March 2021 be approved.

### Explanatory Information

*The full audited financial reports and statements for Kiwifruit Vine Health Incorporated, including an unqualified audit report, have been distributed with the agenda papers. These accounts are presented in accordance with the Special Purpose Financial Reporting Framework for use by For Profit Entities as published by the New Zealand Institute of Chartered Accountants.*

*KVHI's Chief Executive will present the financial statements and invite members to question any aspect of the statements. The Chairman will then put the above resolution to the meeting.*

*The resolution requires 50% or more of the votes cast by Members to be in favour of the resolution for it to pass.*

### Board recommendation:

The KVHI Board recommends the Members approve the Financial Statements of Kiwifruit Vine Health Incorporated for the twelve months ending 31 March 2021.

## The Biosecurity (Readiness and Response – Kiwifruit Levy) Order 2015, The Biosecurity (Psa-V—Kiwifruit Levy) Order 2013) and and The Biosecurity (National Pathway Management Plan – Kiwifruit) levies for the year ended 31 March 2023 Resolution 4 (Item 5 of Agenda)

### Proposed resolution:

1. That for the year ending 31 March 2023 the Biosecurity (Psa-V – Kiwifruit) levy is struck to zero per tray equivalent on all commercial varieties of kiwifruit except *Actinidia arguta*, exported to all markets other than Australia.
2. That for the year ending 31 March 2023 the Biosecurity (Readiness & Response – Kiwifruit) levy, decreases to the rate of one cent per tray equivalent on all commercial varieties of kiwifruit except *Actinidia arguta*, exported to all markets other than Australia.
3. That for the year ending 31 March 2023 the Biosecurity (National Pathway Management Plan – Kiwifruit) levy, be set to the rate of four tenths of a cent per tray equivalent on all commercial varieties of kiwifruit except *Actinidia arguta*, exported to all markets other than Australia.

### Explanatory Information

*On 1 April 2022, the National Pathway Management Plan and the Pathway Plan levy to fund this activity will come into effect (subject to Parliamentary approval which is currently being sought). The Pathway Plan levy will be struck at four tenths of a cent per tray and has not been included in this resolution as it has already been consulted on and is included in the proposal that is now with the Minister. This consultation process made it clear to growers that KVHI's total levy collection to growers would not increase from our current rate of one and six tenths of a cent, and the resolution above is proposing a reduction of total levy take to one and four tenths of a cent per tray equivalent for the following reasons.*

- *The Psa levy can now be struck at zero for the final year of the NPMP to use remaining reserves and noting that there is an overlap in some activity between the Pathway Plan and NPMP;*
- *The Biosecurity levy has previously run at a surplus to rebuild reserves to fund our liabilities for biosecurity responses. These reserves have now been rebuilt and therefore we propose this levy is reduced from the current rate of one and five tenths of a cent to one cent per tray equivalent.*

*The Biosecurity (Psa-V—Kiwifruit Levy) Order 2013 and the Biosecurity (Readiness and Response – Kiwifruit Levy) Order 2015 each allow for levies on trays of commercial varieties of kiwifruit except *Actinidia arguta*, exported other than to Australia. Over time the work of KVHI has re-focussed from its initial Psa-V related activities into wider biosecurity, including readiness and response, and the proposed Pathway Management Plan that will take effect from 1 April 2022. Currently (for the 2021-22 year) the amounts collected under the orders are one and five tenths of cent per tray equivalent and one tenth of a cent per tray equivalent, for Biosecurity readiness and response and Psa-V respectively. These levy rates were recommended and approved at the 2020 AGM and were implemented from 1 April 2021. However, for the year ended 31 March 2023 it is proposed that the levies change as per the resolution.*

*The Government Industry Agreement for Biosecurity Readiness and Response (GIA) is a partnership between government and industry for improving New Zealand's biosecurity. Under GIA, industry organisations (such as KVHI on behalf of the kiwifruit and kiwiberry sectors) and the Ministry for Primary Industries (MPI) sign a Deed that formally establishes the biosecurity partnership. The GIA Deed outlines the principles for the partnership and the commitments that each signatory makes including joint decision making and cost sharing for readiness and response. Under GIA, industries identify the biosecurity risks of greatest concern to them, and jointly by way of operational agreements, agree with government what readiness and response approaches are required.*

*KVHI signed the GIA Deed in May 2014, and has entered into five Operational Agreements ("OA"):*

- In May 2016, the first multi-sector readiness and response OA under GIA was signed for the management of fruit fly in New Zealand.*
- In March 2017, KVHI signed a sector readiness and response OA, on behalf of the kiwifruit and kiwiberry sectors, to help manage the impacts of four kiwifruit sector specific threats - *Ceratocystis fimbriata*, *Verticillium* wilt, Psa-non NZ strains and Invasive Phytophthoras.*
- In July 2017, the second multi sector readiness and response OA for Brown Marmorated Stink Bug (BMSB) was signed.*
- In September 2020, a third multi sector readiness OA was signed to develop *Xylella fastidiosa* Operational Specifications, this OA does not have response liabilities.*
- In June 2021, a fourth multi sector readiness OA for the Plant Production Biosecurity Scheme was signed, this OA does not have response liabilities.*

*During the 2018/19 and 2019/20 financial years New Zealand had a number of Queensland Fruit Fly and *Facialis* Fruit Fly detections in Auckland. These detections resulted in the establishment of a Queensland fruit fly response in Devonport and Northcote and a *Facialis* response in Otara. As a result of these responses KVHI agreed through the provisions of the Fruit Fly OA to a cost share (as well as share in Governance decision making for the response) of a proportion of costs incurred throughout the 11 months of the response. The total cost share agreed to be paid is approximately \$1m.*

*KVHI has previously planned to provide for cost share liability by a combination of reserves held in KVHI, and a right to call on Members by way of an increase to the Biosecurity levy, as provided for in the levy regulations. This was the rationale – allowing for building the Biosecurity reserve - for the recommendation for change in Biosecurity levy passed at the 2018 AGM.*

*Currently the maximum levy cap that can be set under The Biosecurity (Readiness and Response – Kiwifruit Levy) Order 2015 is five cents per tray. If a response was to be prolonged with significant costs associated to ensure eradication, or a further response to another organism occur, then KVHI could request an increase in the Biosecurity levy up to this cap.*

*The payment of the fruit fly cost share was able to be made effectively from the reserves accumulated by way of the levy collection prior to and during the response. To rebuild biosecurity response reserves to a level of \$2.2m to allow for future liability across all current operational agreements the Biosecurity levy was increased to one and five tenths of a cent per tray equivalent for the year ending 31 March 2022. The rationale for increasing the reserves related to growth in value of the kiwifruit industry, likely changes to the GIA framework that may result in cost-share ratios being renegotiated and the potential for increased risk of multiple responses over time.*

*With the absence of further responses and continued growth in value of the kiwifruit industry the Biosecurity levy reserves have accumulated to a level that surpasses KVHI's current operational agreement liability of \$2.2m. At the year ending 31 March 2022 there will be closing Biosecurity levy reserves of \$2,749,407.*

*It is proposed that the Biosecurity levy is reduced from one and five tenths of a cent per tray to one cent per tray equivalent to prevent the reserves from significantly increasing past our target reserves.*

*The Psa NPMP levy is currently set at one tenth of a cent per tray for the year ending 31 March 2022 and will be reduced to zero, to run the Psa side of the KVHI business at a loss and deplete remaining reserves which can only be used for these activities.*

*With the National Pathway Management Plan intended to commence on 1 April 2022 following approval through the Parliamentary process, it is proposed the newly approved levy commence collection at a rate of four tenths of a cent per tray equivalent. During the year ending 31 March 2023 there will be some efficiencies between the existing Psa NPMP and Pathway plan activities, therefore the levy will be collected at a reduced rate of four tenths of a cent. The following financial year the Pathway plan levy is intended to increase a further two tenths of a cent to six tenths of a cent to cover the full cost of these activities once the NPMP is rescinded and the Psa reserves have been depleted. At this time KVH will consider further reductions to the Biosecurity levy so that the total levy collection from growers remains constant.*

*The resolution requires 50% or more of the votes cast by members to be in favour of the resolution for it to pass.*

**Board recommendation:**

The KVHI Board recommends that the Biosecurity (Psa-V – Kiwifruit) Levy is reduced by one tenth of a cent to zero, the Biosecurity (Readiness & Response – Kiwifruit) Levy is decreased by five tenths of a cent to one cent and the Biosecurity (National Pathway Management Plan – Kiwifruit) levy, be set to the rate of four tenths of a cent per tray equivalent for the 2022-23 financial year.

## **2022 – 2023 Budget for Kiwifruit Vine Health Incorporated Resolution 5 (Item 6 of Agenda)**

**Proposed resolution:**

That Kiwifruit Vine Health Incorporated's Budget for the 2022-2023 year be approved.

**Explanatory Information**

*The budget for Kiwifruit Vine Health Incorporated includes revenue and expenses for managing Psa – V, meeting the obligations for readiness and response under the GIA and associated Operational Agreements (OA's) and managing wider pathway risk on behalf of the kiwifruit industry. These*

*respective revenue and expense streams are managed separately from each other, with common activities receiving proportional allocations.*

*For the Kiwifruit Vine Health Incorporated's combined budget for 2022-2023:*

1. *The levies have been included in this budget:*
  - *For the Psa-V Levy, based on 180 million trays, ceases to be collected for all commercial varieties of kiwifruit except Actinidia arguta exported other than to Australia.*
  - *For the Biosecurity Levy, also based on 180 million trays, at a proposed rate of one cent per tray for all commercial varieties of kiwifruit except Actinidia arguta, exported other than to Australia.*
  - *For the Pathway Plan Levy, also based on 180 million trays, at a proposed rate of four tenths of a cent per tray for all commercial varieties of kiwifruit except Actinidia arguta, exported other than to Australia.*
2. *Five Operational Agreements (OAs) have been entered into by KVHI under the GIA. As part of these OAs KVHI has an obligation to fund readiness costs estimated at \$230,000 for both Fruit Fly and Brown Marmorated Stink Bug (BMSB) plus other developing work under GIA. This also includes contribution towards administration and secretariat costs. It should be noted that no response costs are included in the budget. Response costs will be incurred only when and if an incursion occurs, and costs will vary depending on the scale of the response.*
3. *Noting that through the cost centres there is some movement up (education and awareness, governance, operations, people, research and development, strategy projects and weather monitoring) resulting in an overall increase of 14% (\$375k).*
4. *Noting that there is projected to be a small deficit for the year ending 31 March 2023 of \$147k, resulting in an overall reserve of \$3.1m of which the majority is held within the Biosecurity budget.*

*The commentary and proposed budget for KVHI have been distributed with the agenda papers. KVHI's Chief Executive will present the KVHI budget and invite members to question any aspect of it.*

*The resolution for approval of these budgets requires 50% or more of the votes cast by Members to be in favour of the resolution for it to pass.*

**Board recommendation:**

The KVHI Board recommends the Members approve the KVHI 2022-2023 Budget.

## **Appointment of Auditor – Resolution 6 (Item 7 of Agenda)**

**Proposed resolution:**

That William Buck be appointed as the auditor of Kiwifruit Vine Health Incorporated for the 2021-2022 financial year.

**Explanatory Information**

*William Buck is a leading firm of Chartered Accountants and advisors with offices across Australia and New Zealand. Established in 1895, they have over 90 directors and 500 professional staff, and are wholly owned and operated in Australia and New Zealand.*

*The Rules provide that included in the role of Members is the appointment or re-appointment of an auditor.*

*The resolution requires 50% or more of the votes cast by Members to be in favour of the resolution for it to pass.*

**Board recommendation:**

The KVHI Board recommends that William Buck be appointed auditor for the 2021-22 financial year.

## **Directors Remuneration – Resolution 7 (Item 8 of Agenda)**

**Proposed resolution:**

That the Directors fees be adjusted to \$36,183.52 for the Chairman and \$18,091.76 for the Directors with effect from 1 August 2021 through a CPI adjustment of 2.5% applied for this year with an independent review in one year.

**Explanatory Information**

*The Board commissioned an external review of Director's Fees in 2018. After careful consideration, the Board felt that it was only appropriate to accept a CPI adjustment for the following 3 years. The increase, therefore, for 2021/2022 year is set at 2.5%.*

*This would increase the fees as follows:*

<b>Chairman's fees</b>	Currently \$35,301.00	New Fees \$36,183.52
<b>Directors fees</b>	Currently \$17,650.50	New Fees \$18,091.76

*The resolution requires 50% or more of the votes cast by Members to be in favour of the resolution for it to pass.*

**Board recommendation:**

The KVHI Board recommends the Members agree to the 2.5% CPI increase of Directors' Fees as recommended from 1 August 2021.

## **KVH Board Grower Director Elections (Item 9 of Agenda)**

**No resolution required**

There was one grower member vacancy for the KVHI Board and one candidate standing for election. Therefore, David Tanner has been duly elected to the KVHI Board for a three-year term.

## **Independent Director – Resolution 8 (Item of Agenda)**

Kiwifruit Vine Health Incorporated's Rules specify a requirement for six Directors, one of whom is an independent Director nominated by the Boards and elected by the Society in General Meeting.

**Explanatory Information**

*The Board have nominated Fiona Carrick as the Independent Director, and recommend her election to the Board. Information about Fiona Carrick has been circulated with the agenda papers.*

*The resolution requires 50% or more of the votes cast by Members to be in favour of the resolution for it to pass.*

The KVH Board **recommend** the Members approve the appointment of Fiona Carrick as the Independent Director of Kiwifruit Vine Health Incorporated.

## **General Business (Item 10 of Agenda)**

Items to be taken from those attending the meeting, but as it is a requirement of the Rules that voting can be undertaken by post, no additional resolutions are able to be taken at the Annual General Meetings.



## Kiwifruit Vine Health Incorporated

Special Purpose Financial Report  
for the year ended 31 March 2021



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## Kiwifruit Vine Health Incorporated

### Independent auditor's report to the Members

## Report on the Audit of the Financial Statements

### Opinion

We have audited the special purpose financial statements of Kiwifruit Vine Health Incorporated (the Society), which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of movements in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Society are prepared, in all material respects, in accordance with the accounting policies on pages 12 to 14.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

### Emphasis of Matter – Basis of Accounting

We draw attention to the statement of accounting policies on pages 12 to 14 of the financial statements, which describes the basis of accounting. The financial statements have been prepared, using the policies determined by the Board, to enable the Society to report to its members.

#### ACCOUNTANTS & ADVISORS

The Collective  
145 Seventeenth Avenue  
Tauranga 3112, New Zealand  
Telephone: +64 7 927 1234  
**williambuck.com**

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William Buck Audit (NZ) Limited

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the Entity Information on pages 6 to 7, summary and budget information on page 19, and Explanation of Resolutions and other voting information on pages 20 to 31, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Directors' Responsibilities**

The directors are responsible on behalf of the Society for the preparation of financial statements prepared in accordance with the accounting policies disclosed on pages 12 to 14 of the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for the selection of accounting policies that are appropriate for the Society.

In preparing the financial statements, the directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the The Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement director on the audit resulting in this independent auditor's report is Richard Dey.

### **Restriction on Distribution and Use**

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state to the Society's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

A stylized, handwritten-style signature of "William Buck" in blue ink.

**William Buck Audit (NZ) Limited**

Tauranga  
26 July 2021



## Approval of Special Purpose Financial Report

The Board has approved the special purpose financial statements of Kiwifruit Vine Health Incorporated for the year ended 31 March 2021.

For and on behalf of the Board

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David Tanner  
Chair

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Graeme Marshall  
Vice Chair

Dated: 26 July 2021



## Entity information

as at 31 March 2021

**Legal name of entity**

Kiwifruit Vine Health Incorporated ("KVHI")

**Nature of business**

The primary purpose of the Society is as a Management Agency under the Biosecurity Act 1993 and to do all things required of the Society for the management of a National Pest Management Plan for *Pseudomonas syringae* pv. *actinidiae* (Psa) within New Zealand for the NZ kiwifruit industry.

Other purposes of the Society are:

- (a) To monitor and identify biosecurity risks to the kiwifruit industry, to undertake and arrange biosecurity surveillance, to prepare for responses to biosecurity risks to the kiwifruit industry, including ensuring adequate operational arrangements are in place, to lead biosecurity responses as required and to liaise with governments, agencies, industry groups and other agencies as appropriate in relation to any such biosecurity risks;
- (b) To promote and encourage in the national interest research into and the dissemination of information relating to biosecurity risk management and monitoring for kiwifruit vines in New Zealand; and
- (c) To do any act or thing necessary or incidental to the attainment of the above objectives.

**Incorporated Society Number**

254737

**Incorporation date**

6th December 2010

**Registered Office**

25 Miro Street  
Mount Maunganui

**IRD number**

106-272-964

**Auditors**

William Buck Audit (NZ) Limited  
The Kollektive  
145 Seventeenth Ave  
Tauranga 3112

**Bankers**

Westpac Bank  
Auckland

**Solicitors**

Cooney Lees Morgan  
Level 3  
247 Cameron Road  
Tauranga

**Chief Executive**

Stu Hutchings (resigned 09/04/2021)  
Leanne Stewart (appointed 31/05/2021)

## Entity information (continued)

as at 31 March 2021

### Board Members

David Tanner (Chair) (elected as Grower Director 1 September 2016, appointed Chair 29 March 2018)

Graeme Marshall (Deputy Chair) (elected as Independent Director 31 August 2016)

Dermott Malley (elected as Grower Director 26 July 2018)

Nicki Paget (Supplier Appointed Director 1 July 2018, resigned 27 April 2021)

Simon Cook (elected as Grower Director 1 September 2016)

Craig Thompson (Zespri Appointed Director 1 November 2019)

### Associate Director

Cody Bent (appointed as Associate Director January 2020)

### Board Secretary

Jacqui Craig (appointed April 2018)

### Physical address

25 Miro Street  
Mount Maunganui

### Postal address

PO Box 4246  
Mount Maunganui

### Phone

0800 665 825

### Email

[info@kvh.org.nz](mailto:info@kvh.org.nz)

### Website

<http://www.kvh.org.nz>



## Statement of financial performance

for the year ended 31 March 2021

		2021 \$	2020 \$
<b>Income</b>			
Funding and levy income	1	2,510,016	2,332,840
<b>Total income</b>		<b>2,510,016</b>	<b>2,332,840</b>
<b>Operating expenses</b>			
Education and awareness		33,592	51,594
GIA operational agreement	2	56,154	539,766
Governance	3	144,166	145,998
Office expenses	4	197,891	162,443
Operations		43,487	30,993
People and travel	5	1,080,637	1,077,694
Professional services	6	60,399	45,545
Research & development	7	10,000	(1,116)
Strategic projects	8	71,316	92,522
Weather monitoring		94,237	92,397
Wild kiwifruit control		211,428	194,675
<b>Total operating expenses</b>		<b>2,003,306</b>	<b>2,432,513</b>
<b>Operating surplus/(deficit)</b>		<b>506,710</b>	<b>(99,673)</b>
<b>Non-operating income</b>			
Interest received		15,605	15,215
Other income	9	10,200	-
Sponsorship revenue	10	84,435	-
<b>Total non-operating income</b>		<b>110,239</b>	<b>15,215</b>
<b>Non-operating expenses</b>			
Income tax		4,369	4,260
<b>Total non-operating expenses</b>		<b>4,369</b>	<b>4,260</b>
<b>Net surplus/(deficit)</b>		<b>612,579</b>	<b>(88,718)</b>





## Statement of movements in equity

for the year ended 31 March 2021

	2021 \$	2020 \$
Net surplus/(deficit)	612,579	(88,718)
Prior period adjustment	-	(84,864)
<b>Movements in equity for the period</b>	<b>612,579</b>	<b>(173,582)</b>
Equity at beginning of period	2,095,514	2,269,096
<b>Equity at end of year</b>	<b>2,708,094</b>	<b>2,095,514</b>



## Statement of financial position

as at 31 March 2021

		2021 \$	2020 \$
<b>Current assets</b>			
Cash and bank balances	11	2,864,693	2,560,382
Accounts receivable		10,236	38,714
Prepayments		13,685	13,672
GST refund due		25,041	116,444
Income tax refund		757	1,459
Accrued income		-	-
<b>Total current assets</b>		<b>2,914,412</b>	<b>2,730,670</b>
<b>Non current assets</b>			
Property, plant and equipment	12	29,012	34,544
<b>Total assets</b>		<b>2,943,425</b>	<b>2,765,214</b>
<b>Current liabilities</b>			
Visa credit card	11	3,761	3,622
Accounts payable		99,389	63,926
Accrued charges		132,180	124,580
Provision for incursion costs	13	-	477,571
<b>Total current liabilities</b>		<b>235,330</b>	<b>669,699</b>
<b>Total liabilities</b>		<b>235,330</b>	<b>669,699</b>
<b>Net assets/(liabilities)</b>		<b>2,708,094</b>	<b>2,095,514</b>
<b>Equity</b>	14	<b>2,708,094</b>	<b>2,095,514</b>



## Statement of cash flows

for the year ended 31 March 2021

		2021 \$	2020 \$
<b>Cash flow from operating activities</b>			
Cash was received from:			
Funding receipts		2,548,694	2,375,017
Sponsorship receipts	10	84,435	-
Interest received		10,478	10,194
Income tax refunded		1,459	92
Cash was applied to:			
Payments to suppliers and employees		(2,428,264)	(2,485,507)
GST paid		91,403	(89,527)
<b>Net cash flows from operating activities</b>		<b>308,204</b>	<b>(189,732)</b>
<b>Cash flow from investing activities</b>			
Cash was applied to:			
Purchase of assets		(4,032)	(10,700)
<b>Net cash flows from investing activities</b>		<b>(4,032)</b>	<b>(10,700)</b>
<b>Net increase/(decrease) in cash held</b>		<b>304,172</b>	<b>(200,432)</b>
<b>Opening cash</b>		<b>2,556,760</b>	<b>2,757,191</b>
<b>Closing cash</b>	11	<b>2,860,932</b>	<b>2,556,760</b>
<b>This is represented by:</b>			
ANZ Current account		56	-
ANZ Term Deposit		499,946	-
Westpac Cheque Account		145,002	175,964
Westpac Online Saver		1,200,788	1,875,227
Westpac Term Deposit		1,018,900	509,190
Westpac Visa credit cards		(3,761)	(3,622)
		<b>2,860,932</b>	<b>2,556,760</b>





## Statement of accounting policies

for the year ended 31 March 2021

### Reporting entity

KVHI was established in 2010 following agreement of the Industry Advisory Council (IAC) to transition management of the Psa response from MPI and ZESPRI to a separate independent pan-industry organisation. Subsequently in 2012, Kiwifruit Vine Health Foundation (KVHF) was established as a separate incorporated charity to manage the wider biosecurity risks to the kiwifruit industry and to promote and encourage research into and the dissemination of information relating to biosecurity risk management and monitoring.

Further to a planned reorganisation of KVHI and KVHF, early in the financial year ended 31 March 2018 the business of KVHF was merged into KVHI such that from that point, KVHI was undertaking both the Psa activities as it had done from its inception and the wider biosecurity activities previously undertaken by KVHF.

### Basis of preparation

The financial statements have been prepared on the basis of historical cost. Reliance is placed on the fact that the entity is a going concern with funding in place for the next 12 months. Revenue earned is matched with expenses using accrual accounting concepts.

The financial statements have been prepared applying the Special Purpose Financial Reporting Framework for use by For Profit Entities as published by the Chartered Accountants Australia and New Zealand, except for levy income which is reported in accordance with the accounting policy on page 14 to achieve fair presentation. The directors have agreed that this is an appropriate framework. These financial statements are not consolidated financial statements and are prepared for reporting purposes of Kiwifruit Vine Health Inc. The financial statements have been prepared for the entity's members, as such the financial statements may not be suitable for any other purpose.

### Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the statement of financial performance is calculated as the difference between the sale price and the carrying amount of the asset.

### Depreciation

Depreciation is charged to the statement of financial performance at the same rate as allowed by the Income Tax Act 2007. The following rates have been used:

Computer equipment 25.0% - 50.0% diminishing value

Office equipment 10.0% - 25.0% diminishing value

### Accounts receivable

Receivables are stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.



## Statement of accounting policies (continued)

for the year ended 31 March 2021

### Impairment of non-financial assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that KVHI intends to use to the end of its useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date.

Assets measured at fair value or assets KVHI intends to use to the end of its useful life, are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to determine if any indications of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to exceed its carrying amount then the resulting difference is recognised as an impairment loss in the statement of financial performance.

### Taxation

KVHI derives all of its income from non-taxable member transactions, except for interest income. No income tax arises in relation to the member transactions, however, the interest income is taxable using the taxes payable method.

### Goods and services tax

All amounts are shown exclusive of Goods & Services Tax (GST), except for receivables and payables which are shown inclusive of GST.

### Provisions

KVHI records provisions when it has a legal or constructive obligation to satisfy a claim as a result of a past event, it is more likely than not that an outflow of resources will be required to satisfy the obligation, and a reliable estimate of the amount can be made. The amount recognised as a provision is the net present value of the best estimate of the outflows required to satisfy the obligation.

### Leases

KVHI has entered into lease agreements for office equipment and office space. Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, are recognised as an expense in profit or loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

### Income

Income is recognised to the extent that it is probable that economic benefit will flow to the Society and can be reliably measured.

#### *Funding income:*

Funding income is recognised in the period to which it relates, with any amount owing to KVHI at balance date being included as a current asset, and any amount owed by KVHI at balance date being included as a current liability.

## Statement of accounting policies (continued)

for the year ended 31 March 2021

### *Levy income:*

Under the Levy Orders, levies become due and payable on the date on which the kiwifruit is loaded on board a ship or an aircraft for export (other than exports to Australia). Any levies collected are not refundable. For financial reporting purposes, all levy income is recognised in the season to which the harvest relates. Levies on early shipments received prior to the end of March for the current season, are recorded in the following financial year alongside the majority of that season's levy income. This provides more relevant information for the Board and members by aligning the levy income in the financial statements to the total trays shipped in relation to each season.

### *Interest income:*

Interest is recognised in the Statement of Financial Performance as it accrues, using the effective interest method.

### *Sponsorship income:*

Sponsorship revenue is accounted for depending on whether or not it has a 'use or return' condition attached. Where no use or return conditions are attached, the revenue is recognised as income when the cash is received. Where revenue includes a use or return condition, it is initially recognised as a liability on receipt. The revenue is then subsequently recognised in the Statement of Financial Performance as the performance conditions are met.

## People costs

People costs include all relevant employee costs, the costs of contractors providing services to KVHI, travel and other costs such as the cost of recruitment.

Employee costs include salaries, wages and annual leave which are recognised when they accrue to employees. Liabilities for employee benefits are carried at the value of the estimated future cash flows required to settle the obligation arising from services rendered by employees up until balance date.

## Statement of cash flows

The following definitions are the terms used in the Statement of Cash Flows:

- i. Cash and cash equivalents are cash held in current accounts and short term deposits with original maturity of three months or less.
- ii. Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets.
- iii. Operating activities include all transactions and other events which are not investing activities.



## Notes to the financial statements

### 1 Income

	2021 \$	2020 \$
Biosecurity (Psa-V - Kiwifruit Levy) Order 2013	313,771	291,552
Biosecurity (Readiness and Response - Kiwifruit Levy) Order 2015	2,196,245	2,041,288
<b>Total income</b>	<b>2,510,016</b>	<b>2,332,840</b>

#### Levy rates per tray (on kiwifruit exported other than to Australia)

##### Current rates levied (per tray)

	2021 Cents	2020 Cents
Biosecurity (Psa-V - Kiwifruit Levy) Order 2013: fruit of any plant of the genus Actinidia other than the species Actinidia arguta	0.20	0.20
Biosecurity (Readiness and Response - Kiwifruit Levy) Order 2015: fruit of any plant of the genus Actinidia other than the species Actinidia arguta	1.40	1.40

The above income includes:

(i) the Biosecurity (Psa-V - Kiwifruit Levy) Order 2013 ("Psa levy") came into effect on the 17th of May 2013.

This levy is payable to KVHI, as the management agency, on kiwifruit grown in New Zealand and exported to countries other than Australia.

(ii) the Biosecurity (Readiness and Response - Kiwifruit Levy) Order ("Wider Biosecurity levy") came into effect on 2 February 2015.

### 2 GIA Operational Agreement

	2021 \$	2020 \$
Incursion response expense	(7,571)	484,335
GIA Operational Agreement (readiness)	63,725	55,431
<b>Total GIA expenses</b>	<b>56,154</b>	<b>539,766</b>

During the 2019 financial year there were two separate Fruit Fly responses run in Auckland that incurred a proportional cost share from KVHI as part of the GIA Fruit Fly operational agreement. A provision of \$477,571 was made for this response cost share within the 2020 year as KVHI were waiting on the final costs to be invoiced by MPI. The actual cost from MPI was \$470,000 therefore there is a credit showing in the 2021 year to account for the variance. All readiness and response admin costs for both Fruit Fly and BMSB are recorded as GIA Operational Agreement (readiness) from 1 April 2019.

### 3 Governance

	2021 \$	2020 \$
Directors fees paid	122,686	122,079
Directors meeting, mileage & expenses	13,545	13,599
Annual General Meeting costs	7,934	10,320
<b>Governance costs</b>	<b>144,166</b>	<b>145,998</b>

### 4 Office expenses

	2021 \$	2020 \$
Office expenses excluding depreciation and rent	147,043	106,820
Rent	41,230	45,399
Depreciation of computer, office equipment & software	9,618	10,225
<b>Office expenses including depreciation</b>	<b>197,891</b>	<b>162,443</b>

## Notes to the financial statements (continued)

### 5 People and travel costs

	2021	2020
	\$	\$
Staff salaries	989,886	984,175
Mileage, travel & accommodation	48,918	78,533
Other	41,833	14,986
	<b>1,080,637</b>	<b>1,077,694</b>

Other includes the costs of recruiting a new Chief Executive, hence the large increase on the prior year.

### 6 Professional Services

	2021	2020
	\$	\$
Audit fee	8,000	8,300
All other Professional Services	52,399	37,245
	<b>60,399</b>	<b>45,545</b>

### 7 Research and development

All research and development was funded by Zespri in the year ended 31 March 2021 other than \$10,000 which was a contribution from KVHI for the BMSB trapping season.

### 8 Strategic projects

The strategic project costs for the year ended March 2021 were part of the multi-year project for development of a National Pathway Plan. When completed this Plan will replace the current National Pest Management Plan (NPMP) for Psa and the associated levy that is due to expire in 2023. The Pathway Plan changes the focus from management of Psa, to one of risk management across all the major pathways that diseases of kiwifruit can be transmitted. The Pathway Plan is planned for implementation from 1 April 2022.

### 9 Other income

Other income of \$10,200 for the year was payment for Stu Hutchings position on the Mycoplasma bovis Council, this income is a one off for the 2021 financial year as Stu Hutchings is no longer employed by KVHI.

### 10 Sponsorship revenue

Sponsorships were sought to publish the 10 year Psa anniversary booklet. All sponsorship revenue will be applied for this purpose. The costs span over two financial years:

Costs incurred to date	\$ 42,657
Remaining balance to be spent in FY2022	\$ 41,778
	<b>\$ 84,435</b>

### 11 Cash and bank balances

	2021	2020
	\$	\$
ANZ Current account	56	-
ANZ Term Deposit	499,946	-
	145,002	
Westpac Cheque Account	1,200,788	175,964
Westpac Online Saver	1,018,900	1,875,227
Westpac Term Deposit	(3,761)	509,190
Westpac Visa credit cards	<b>2,860,932</b>	<b>(3,622)</b>
		<b>2,556,760</b>
<b>Total cash and bank balances are classified as follows:</b>	<b>2,864,693</b>	
Current assets	3,761	2,560,382
Current liabilities		3,622

## Notes to the financial statements (continued)

### 12 Property, plant and equipment

	Cost	Depreciation	Acc Depn	Carrying value
	\$	\$	\$	\$
Computer equipment	120,534	6,896	111,634	8,900
Office equipment	41,890	2,722	21,778	20,112
<b>Balance as at 31 March 2021</b>	<b>162,424</b>	<b>9,618</b>	<b>133,412</b>	<b>29,012</b>

	Cost	Depreciation	Acc Depn	Carrying value
	\$	\$	\$	\$
Computer equipment	116,502	7,126	104,792	11,710
Office equipment	41,890	3,099	19,056	22,834
<b>Balance as at 31 March 2020</b>	<b>158,392</b>	<b>10,225</b>	<b>123,848</b>	<b>34,544</b>

- 13** A provision for Fruit Fly incursion costs was made in KVHI's 2020 accounts based on the estimated MPI cost and KVHI costs incurred on behalf of MPI up to 31 March 2020. The provision was fully paid and accounted for in the March 2021 financial year.

### 14 Equity

	Psa Reserves	Wider Biosecurity	Total Reserves
	2021	2021	2021
	\$	\$	\$
Opening KVHI reserves as at 1 April 2020	1,699,427	396,087	2,095,514
Surplus/ (Deficit) from operations	(511,529)	1,124,109	612,579
Closing KVHI reserves as at 31 March 2021	<b>1,187,898</b>	<b>1,520,196</b>	<b>2,708,094</b>

### Related party disclosures

There are transactions between KVHI and its members in the normal course of business. The following entities were related parties to KVHI by virtue of their membership of the Society:

ZESPRI Group Limited, Auckland Growers Supply Limited, Apata Suppliers Limited, DMS Pro growers Supply Entity, G6 Kiwi Supply Limited, Gisborne Kiwifruit Trust, Integrated Fruit Supply Limited, Mainland Kiwi Grower Entity Limited, Mount Growers Supply Limited, OPAC Growers Supply Limited, Orangewood Growers 2010 Limited, Seeka Limited, Southlink Supply Limited, Trevelyan Growers Limited.

All transactions with the following entities were in the normal course of business. They are related to the Society by virtue of common directorship or management:

ZESPRI Group Limited, ZESPRI International Limited and New Zealand Kiwifruit Growers Inc.

GIA Operations Limited - KVHI have acquired 16.67% of shares on 13 November 2020.

Zespri Group Limited has been charged costs of NIL by KVHI (2020: NIL). Zespri Group Limited has oncharged costs of NIL to KVHI (2020: NIL).

Zespri International Limited has been charged costs of \$2,596,167 by KVHI (2020: \$2,349,606). Zespri International Limited has charged costs of \$88,619 to KVHI (2020: \$47,733). KVHI owed Nil to Zespri International Limited as at 31 March 2021 (2020: \$5,489). Zespri International Limited owed \$574 to KVHI as at 31 March 2020 (2020: \$17,250).

Mainland Kiwi Grower Entity Limited has charged costs of \$2,500 to KVHI (2020: \$9,443).

New Zealand Kiwifruit Growers Incorporated has been charged costs of \$26,118 by KVHI (2020: \$28,558).

GIA Operations Limited has charged costs of \$43,276 to KVHI since the share issue on 13 November 2020.

## Notes to the financial statements (continued)

New Zealand Kiwifruit Growers Incorporated has charged KVHI costs of Nil (2020: \$2,229). New Zealand Kiwifruit Growers Incorporated owed \$2,606 to KVHI as at 31 March 2021 (2020: \$7,259)

Simon Cook is a Director of Trevelyan's Growers Limited and KVHI, there were no transactions between these two parties in 2021.

### Contingent liabilities

The Government Industry Agreement for Biosecurity Readiness and Response (GIA) is a partnership between government and industry for improving New Zealand's biosecurity. Under GIA, industry organisations (such as KVHI on behalf of the kiwifruit industry) and the Ministry for Primary Industries sign a Deed that formally establishes the biosecurity partnership. The GIA Deed outlines the principles for the partnership and the commitments that each signatory makes including joint decision making and cost sharing for readiness and response.

Under GIA, industries are able to identify the biosecurity risks of greatest concern to them, and jointly by way of operational agreements agree with government what readiness and response approaches are required. KVHI signed the GIA Deed in May 2014.

Under the GIA Deed, KVHI has entered into three Operational Agreements ("OA"):

- (i) the first OA under GIA was the multi-sector agreement for the management of fruit fly in New Zealand,
- (ii) in March 2017 KVHI signed a second OA, on behalf of the kiwifruit and kiwiberry sectors, to help reduce the damaging impacts of four kiwifruit sector specific threats - *Ceratocystis fimbriata*, *Verticillium* wilt, Psa-non NZ strains and Invasive *Phytophthora*s, and
- (iii) A third OA for the Brown Marmorated Stink Bug (BMSB) was finalised in mid-July 2017.

The OAs establish the operational details for readiness and response activities, including the roles and responsibilities of all the parties before, during and after a response, as well as cost-sharing detail.

The programme of preparedness (readiness) under each OA is developed and funded on an agreed basis as a work programme is agreed and costs are incurred, and as such these costs are part of KVHI's annual operating budget. Conversely, response costs are incurred only when and if an incursion occurs, and costs will vary depending on the scale of the response. KVHI's liability to response costs is capped within the OA's.

Currently KVHI's potential liability to response costs is estimated at \$3.4 million. KVHI plans to provide for this liability by a combination of biosecurity reserves held in KVHI (provisionally set at half this liability or \$1.7m), and a right to call on Members by way of an increase to the Wider Biosecurity levy, as provided for in the levy regulations.


### Post balance sheet events

There have been no events occurring after the balance sheet date that have a material effect in the financial statements.

### Capital expenditure commitments

There were no commitments for capital expenditure as at balance date (2020:\$Nil).

Leases	2021 \$	2020 \$
Current	50,878	54,958
Non-current	534,960	639,187
	<b>585,838</b>	<b>694,145</b>

Summary for the year ended 31 March 2023		KVHI			Pathway Plan		NPMP		Biosecurity			
			Trays:		180,000,000		180,000,000		180,000,000			
			Levy per tray		0.004		0.000		0.010			
			Levy Description		4/10ths cent per tray				1 cent per tray			
		Combined Budget Total			Allocated to Pathway Plan		Allocated to NPMP		Allocated to Wider Biosecurity			
Opening reserves 1.4.2022 (est)		\$3,248,473			\$0		\$499,066		\$2,749,407			
Forecast Revenue		\$2,545,000			\$726,250		\$6,250		\$1,812,500			
Forecast Costs		-\$2,691,518			-\$663,747		-\$505,948		-\$1,521,823			
Forecast Surplus/(Deficit)		-\$146,518			\$62,503		-\$499,698		\$290,677			
Closing reserves 31.3.2023 (est)		\$3,101,955			\$62,503		-\$632		\$3,040,084			
2022/23 Budget		2022-23 Total KVHI	\$ Inc(Dec) on 2021/22 Ref (\$ Thous)	% Inc(Dec) on 2021/22 Bgt	2022-23 Pathway		2022-23 NPMP		2022-23 Biosecurity		2021/22 Current Budget	2021-22 Total KVHI Current Budget
Income											Income	
Levy income NPMP		-			-		-		-		Levy income NPMP	177,000
Levy income - Wider Biosecurity		1,800,000			-		-		1,800,000		Levy income - Wider Biosecurity	2,655,000
Levy income - Pathway Plan		720,000			720,000		-		-		Levy income - Pathway Plan	-
Total income		2,520,000	(312k)	-11%	720,000	29%	0	0%	1,800,000	71%	Total income	2,832,000
Income in cents per tray		1.40 cents			0.4 cents		0.0 cents		1.0 cents		Income in cents per tray	1.60 cents
Operational expenditure											Operational expenditure	
Education and awareness		105,000	20k	24%	30,375		375		74,250		Education and awareness	85,000
GIA operational agreement		230,000	10k	5%	-		-		230,000		GIA operational agreement	220,000
Governance		199,075	31k	18%	19,908		19,908		159,260		Governance	168,500
Office expenses		191,850	-	0%	37,970		20,685		133,195		Office expenses	191,850
Operations		251,000	192k	325%	29,945		33,865		187,190		Operations	59,000
People		1,227,593	14k	1%	402,670		217,396		607,528		People	1,213,271
Professional services		72,000	-	0%	20,880		720		50,400		Professional services	72,000
Research and development		30,000	18k	150%	-		-		30,000		Research and development	12,000
Strategy Projects		100,000	20k	25%	50,000		-		50,000		Strategy Projects	80,000
Weather monitoring		105,000	10k	11%	-		105,000		-		Weather monitoring	95,000
Wild Kiwifruit		180,000	60k	50%	72,000		108,000		-		Wild Kiwifruit	120,000
Total expenses		2,691,518	375k	16%	663,747	25%	505,948	19%	1,521,823	57%	Total expenses	2,316,621
Total expenses in cents per tray		1.50 cents			0.37 cents		0.28 cents		0.85 cents		Total expenses in cents per tray	1.45 cents
Operating Surplus (Deficit) before Interest Income		-171,518	(687k)	-133%	56,253	-33%	-505,948	295%	278,177	-162%	Operating Surplus (Deficit) before Interest Income	515,379
Other revenue											Other revenue	
Interest income		25,000	(k)	0%	6,250		6,250		12,500		Interest income	25,000
Other income		0	-	#DIV/0!	-		-		-		Other income	-
Total other revenue		25,000			6,250		6,250		12,500		Total other revenue	25,000
Total other revenue in cents per tray											Total other revenue in cents per tray	
Surplus (Deficit) including Interest Income		-146,518	(147k)		62,503	-43%	-499,698	341%	290,677	-198%	Surplus (Deficit) including Interest Income	540,379
Reserves c/f from 2022 year est)		3,248,473	540k	20%	0	0%	499,066	15%	2,749,407	85%	Reserves c/f from 2021 year (act)	2,708,094
Reserves projected for 31 March 2023		3,101,955	(147k)	-5%	62,503	2%	-632	0%	3,040,084	98%	Reserves projected for 31 March 2022	3,248,473
Reserves in cents per tray		1.72 cents			0.03 cents		-0.00 cents		1.69 cents			



# Voting Paper 2021 AGM

## Voting

You may vote in person at the meeting on 18 August 2021 or prior to the meeting by postal vote date stamped no later than 17 August 2021 or online voting (instructions included in this voting pack). Voting closes at the conclusion of the KVH AGM on 18 August 2021.

For further explanation and background to these resolutions please refer to the enclosed Explanation of Resolutions paper.

## KVHI MEMBERS ONLY ARE ELIGIBLE TO VOTE

(For each resolution please tick ONE box only)

RESOLUTION 1 – APPROVAL OF PREVIOUS KVHI AGM MINUTES	YES	NO
That the minutes of the Annual General Meetings of Kiwifruit Vine Health Incorporated held on 18 August 2020 be approved as a true and accurate record.		
RESOLUTION 2 – CHAIRMAN’S and CHIEF EXECUTIVE’S REPORTS AND THE KVHI ANNUAL UPDATE	YES	NO
That the Chairman and Chief Executive’s Reports for Kiwifruit Vine Health Incorporated be approved.		
RESOLUTION 3 – KVHI’S FINANCIAL REPORTS	YES	NO
That Kiwifruit Vine Health Incorporated’s Financial Reports for the twelve months ending 31 March 2021 be approved.		
RESOLUTION 4 – 2022/2023 LEVY RATES	YES	NO
<ol style="list-style-type: none"><li>1. That for the year ending 31 March 2023 the Biosecurity (Psa-V – Kiwifruit) levy is struck to zero cents per tray equivalent on all commercial varieties of kiwifruit except <i>Actinidia arguta</i>, exported to all markets other than Australia.</li><li>2. That for the year ending 31 March 2023 the Biosecurity (Readiness &amp; Response – Kiwifruit) levy decreases to the rate of one cent per tray equivalent on all commercial varieties of kiwifruit except <i>Actinidia arguta</i>, exported to all markets other than Australia.</li><li>3. That for the year ending 31 March 2023 the Biosecurity (National Pathway Management Plan – Kiwifruit) levy, be set to the rate of four tenths of a cent per tray equivalent on all commercial varieties of kiwifruit except <i>Actinidia arguta</i>, exported to all markets other than Australia.</li></ol>		
RESOLUTION 5 – 2022/2023 KVHI BUDGET	YES	NO
That Kiwifruit Vine Health Incorporated’s Budget for the 2022-2023 year be approved.		
RESOLUTION 6 – APPOINTMENT OF AUDITOR	YES	NO
That William Buck be appointed as the auditor of Kiwifruit Vine Health Incorporated for the 2021-2022 financial year.		

<b>RESOLUTION 7 – DIRECTORS REMUNERATION</b>	<b>YES</b>	<b>NO</b>
That the Directors fees be adjusted to \$36,183.52 for the Chairman and \$18,091.76 for the Directors with effect from 1 August 2021 through a CPI adjustment of 2.5% applied for this year with an independent review in 2022.		

<b>RESOLUTION 8 – APPOINTMENT OF INDEPENDENT DIRECTOR</b>	<b>YES</b>	<b>NO</b>
The appointment of Fiona Carrick as the Independent Director of Kiwifruit Vine Health Incorporated be approved.		

## **DECLARATION BY MEMBER:**

**NAME OF MEMBER:** \_\_\_\_\_

I hereby declare that I am authorised to exercise this vote for the above named Member of **Kiwifruit Vine Health Incorporated**.

**Signed:** \_\_\_\_\_ **KPIN:** \_\_\_\_\_

**Date:** \_\_\_\_\_

### **Members of Kiwifruit Vine Health Incorporated entitled to vote are the following categories of persons:**

- (a) Grower members who shall become Members by either paying a Levy or completing a membership application form, approved by the Board pursuant to Rule 6.3;
- (b) Registered suppliers who are party to the Zespri Group Limited Annual Supply Agreement;
- (c) Zespri Group Limited; and
- (d) A party determined by the Board in its sole discretion as being appropriate for membership and whose application for membership has been approved by the Board pursuant to Rule 6.3.

### **Number of votes**

For the explanation of how the votes are calculated please refer to the KVH website [www.kvh.org.nz](http://www.kvh.org.nz)

## **FIONA CARRICK**

**103/4 Maungakawa Road, Cambridge 3496**

**027 217 9226, [fiona.carrick@fonterra.com](mailto:fiona.carrick@fonterra.com), [nz.linkedin.com/in/fionacarrick](https://nz.linkedin.com/in/fionacarrick)**

### **GOVERNANCE STATEMENT**

I am passionate about the role of governance in growing and sustaining New Zealand's agricultural economy as traditional practices are disrupted, volatility increases, and consumer expectations shift. Over the past 10 years, I have brought a deep strategic focus to the committees and boards on which I have served to ensure sustainable value is added to the organisation itself, stakeholders, shareholders and the community. I have used my professional and governance expertise to ensure strategy efficiently enables an organisations success long term, and maintained a focus on effective risk management. My networks are deepest in the agriculture sector of NZ, and I bring experience, integrity, independent thinking, and an inquisitive mind to the board table.

### **GOVERNANCE EXPERIENCE**

#### **Judge, Risk NZ, Risk Excellence Awards**

**January 2021**

Alongside other experienced risk professionals critically assessed the applications from across New Zealand for the six award categories acknowledging those who are embedding risk management approaches within normal business practice including the 'Risk Professional of the Year' and 'Emerging Risk Professional of the Year'

#### **Secretariat, Safety and Risk Committee, Fonterra**

**Oct 2019-Present**

The Safety and Risk Committee is a sub-committee of the Fonterra Board that assists the Board in fulfilling its corporate governance responsibilities relating to management of enterprise-wide risks.

#### **Panellist, Export NZ, Export Accelerator Conference**

**Aug 2019**

As a panellist I provided advice on strategic risk management for governors, executives, and owners of NZ export enterprises, within the context of; No Risk. No Reward. Global Business is an increasingly Risky Business.

#### **Trustee, Waipa Community Facilities Trust Board**

**Oct 2018-Present**

The mission of the WCFT is to provide high quality facilities and enable participation in sports, recreation and leisure activities across the Waipa district. I have specifically utilised my governance expertise in Health and Safety and Risk to contribute to enhancing the setting and monitoring of policies at Board level at WCFT.

#### **Presenter, Fonterra Shareholders Council Governance Development Programme (GDP) 2018, 2019, 2020,2021**

Responsible for content and presentation of Risk Governance modules to participants. The purpose of the GDP programme is to identify and develop governance acumen in future rural leaders and build participants skills and capability in due diligence, duty of care, risk management, leadership, strategic planning and delivery.

#### **Committee Member, Live Animal Germplasm Trade Association New Zealand**

**Feb 2016-Feb 2018**

National trade association that represents Aotearoa's live animal and germplasm export and import stakeholders. LAGTA engages with the Animal Trade Advisory Council of the Ministry of Primary Industries to support the development of overseas market access, export and import protocols, health standards and submissions for legislative changes.

#### **Chair, Cambridge Racquets Club**

**Apr 2015-Feb 2017**

#### **Committee Member-Cambridge Racquets Club Management**

Chair of Squash committee that drove significant growth in the junior squash membership by developing, leadership/coaching programmes, and inclusive relationships with Sport Waikato, Kiwi Squash and local schools.

#### **Participant, Animal Trade Advisory Council, Ministry of Primary Industry**

**May 2015- Sep 2017**

Industry Government Council for the engagement, management and assurance of import/export industry of all animals and germplasm in Aotearoa. Contributed and advised on assessment of Import Health Standards, Overseas Market Access Requirements, Government Industry Agreements and minimum animal wellbeing standards.

## BOARD STRENGTHS

### Industry Experience

- Deep experience in the agricultural and manufacturing primary sector
- Experience in regulatory development, government industry partnerships and compliance
- Experienced in the delivery of leadership development programmes
- Proficient in strategy development and review
- Engagement with geographically and culturally diverse stakeholder interests for sustainable outcomes

### Functional Skills

- Strong commercial acumen, sustainability and financial literacy
- Proficient in the practice of policy development, assurance, compliance and audit
- Proactively identifying and remediating complex risk issues, frameworks and practices
- Strong leadership, engagement and relationship building skills

### Governance Capability

- Practised in strategic risk profiling at Board-level
- Practical governance experience in small and large private, not for profit and public organisations
- Experience and understanding of Directors duties
- Deep experience in the Directors and Officers duties and obligations relating to Health and Safety at Work Act 2015 (HSWA)

## EXECUTIVE EXPERIENCE

### General Manager, Risk - Fonterra

**Nov 2019- Present**

As the General Manager of Risk, I am responsible for the leadership of the global risk function, risk management practices, and business continuity. My accountabilities include providing a balanced risk assessment of strategic execution, delivering external reporting requirements, operationalising risk appetite settings, and the regular provision of a group risk position to the Safety and Risk Committee, Audit and Finance Committee and the Board.

### Group Manager, Resilience Integration and Governance - Fonterra

**Aug 2017-Nov 2019**

Responsible for working with internal stakeholders, business units and senior leaders to embed risk management capability to improve business continuity capability, enhance response processes specifically the Mycoplasma response. Also established aggregated H&S reporting to enhance the due diligence governance processes.

### Director Livestock Portfolio- Fonterra

**Oct 2013-July 2017**

As Director Livestock, I was part of the senior management team for International Farming Ventures. This role required me to liaise with key government stakeholders in NZ & China, oversee Livestock breeding programs in NZ, Australia and China and as part of a team represent Fonterra to MPI specifically relating to regulatory submissions, trade councils, animal wellbeing standards and export protocols.

### General Manager- Partnerships RD1 Ltd (Fonterra)

**May 2012-Oct 2013**

### Commercial Manager, RD1 Ltd

**Dec 2009-May 2012**

### National Services Manager, RD1 Ltd

**May 2008-Dec 2009**

As a part of the leadership team I was responsible for the executive leadership of RD1; including the development and effective implementation of company strategy, board updates, policies and standards and delivery of shareholder value targets. My exclusive responsibility was the strategic, operational and financial performance, of a significant revenue stream from commercial partnerships, and the Customer Service Centre.

### Retail Operations Manager, Noel Leeming Group Limited

**Jan 2006-May 2008**

Member of the Noel Leeming Group SMT with shared responsibility for the development and optimisation of the retail capability and profitability of the Noel Leeming retail network.

### Various roles

**1998-2006**

After graduating from Otago University, I held teaching, sales and senior retail management roles in several small and large organisations in NZ and overseas, including Nova Corporation in Japan.

## **PROFESSIONAL QUALIFICATIONS**

**Chartered Member Institute of Director**, (CMInstD), Institute of Directors, New Zealand, 2021

**Member, Institute of Directors**, (MInstD), Institute of Directors, New Zealand, 2016

**Certificate in Company Direction**, New Zealand Institute of Directors, April 2013

**Master of Business (MBA)**, Victoria University, Wellington, 2004

**Master of Science**, Reproductive Biology (MSc), University of Otago, 1998

**Bachelor of Science**, Anatomy (BSc), University of Otago, 1996

## **PROFESSIONAL DEVELOPMENT & MEMBERSHIPS**

**Risk Excellence Awards**, Risk NZ, Judge, January 2021

**Cybersecurity Governance**, Institute of Directors NZ, Oct 2019

**Health and Safety Governance**, Institute of Directors NZ, July 2019

**Governance Ethics-How Directors Do Business**, Institute of Directors NZ, February 2019

**Rural Governance**, New Zealand Institute of Directors, June 2017

**Participant, Animal Trade Advisory Council**, Ministry of Primary Industries 2015-2018