



Horticulture[™]
New Zealand
Ahumāra Kai Aotearoa

Annual Report

TO 31 MARCH 2024

Contents

President's message	1
Chief Executive's message	3
Snapshot of commercial fruit and vegetable growing in New Zealand	6
HortNZ priority areas	
Shaping sector strategy	7
Proactively influencing policy	9
Translating sector wide change	12
Telling the horticulture story	14
Facilitating grower connections.....	15
Financial statements	20



President's message

The past year has been marked by significant challenges but also considerable achievements. Our industry has demonstrated its resilience and adaptability, and HortNZ has worked hard to support growers during this time.

Cyclone Gabrielle

Cyclone Gabrielle left an indelible mark on our horticulture sector. The devastation to crops, infrastructure, and livelihoods was immense, underscoring the urgent need for resilience and adaptation. Our thoughts are with those still affected.

HortNZ swiftly mobilised its resources, providing support to impacted growers. We facilitated collaboration with government agencies to expedite relief efforts and initiated long-term recovery plans. While the response was strong, there are always lessons to be learned and we are committed to taking on how we can do better next time (and unfortunately there will be a next time).

Pushing officials to enhance coordination and communication between agencies is one of those areas we need to do better and will improve future recovery efforts, ensuring even faster and more effective support.

Together, we can rebuild stronger, ensuring a sustainable and prosperous future for New Zealand horticulture.

Resilience in the face of challenges

The horticulture sector has over the last two years struggled with labour shortages, so pleasingly in the 2023/24 season labour availability wasn't so much an issue, but affordability was. HortNZ has worked with industry and government for over 15 years to ensure the Recognised Seasonal Employer (RSE) scheme is providing an affordable and necessary seasonal workforce to sustain our industry.

This year, we also advocated for the scheme's evolution, ensuring it meets the needs of both our growers and our Pacific partners, to safeguard its ongoing future and success.

Advocacy and transformation

Our goal is always to advocate for the best possible outcome for our growers – an outcome that will enable horticulture to maintain current business and grow into new business with the minimum compliance costs possible.

HortNZ has significantly transformed over the last three years, especially under the leadership of Nadine Tunley, with full support from the board, to be even more effective in the advocacy work we do.

We've clarified our role and, just as importantly, what it isn't, and then implemented a new structure to support staff to succeed in their roles. In the process, we have brought in staff with new skills and experiences, so we are best positioned to deliver what is required for growers.

This has also resulted in HortNZ increasing its capability in areas such as labour, environmental policy, and pan-sector risk policy, while decreasing its role in others, such as specific product market access and specific product biosecurity activities, areas where product groups have taken a leadership role.

We have also focused on translating sector-wide policy changes for growers, so they are familiar with newly implemented policy and regulations and know what is needed in order to comply.

Aotearoa Horticulture Action Plan

HortNZ was actively involved in the development of the Aotearoa Horticulture Action Plan – a positive initiative after two very difficult seasons, to get us back on the path to prosperity and growth. For me, this plan ticks all the boxes regarding what we need to do in order to prosper again, and my thanks go to the wise heads from across all horticulture and government that have brought this plan together. It is pleasing that both sides of Government recognise and endorse this plan, it will provide direction for the horticulture sector to 2035 with a clear path for investment.



Strategic challenges ahead

This year, the Board identified three core issues:

- Climate change and adaptation
- Water allocation and storage
- Domestic food supply and the right to grow.

While other issues are also being actively addressed, such as labour, these three are pivotal to our success and sustainability both now and into the future.

Moving forward

Following Nadine's resignation, we are recruiting a new CEO. I would like to recognise the amazing work that Nadine has done while in the role, tirelessly working to support growers and horticulture to succeed. During Nadine's watch there has been some very difficult issues to navigate, including Covid-19 and Cyclone Gabrielle, and she along with the HortNZ team have given their everything as they worked on our behalf. Our thanks Nadine for what you and your team have achieved.

I want to also thank the board for their support and commitment over the course of the year, a very busy year with plenty of issues, and really appreciate the efforts of our directors.

Final thanks to our growers and members for the support you have given us during the year, including for renewing the commodity levy. I wish all growers the best for the coming season.

Let's continue to work together to achieve a strong and prosperous future for horticulture in New Zealand.

Kia kaha



Barry O'Neil
President

Chief Executive's message

As I reflect on the past three and a half years, it is mind boggling how many challenges our sector has faced. Covid-19 which brought significant labour challenges, distributed the movement of product domestically and internationally due to the supply chain upheaval. The sector was just starting to recover from that and then mother nature presented Cyclone Hale and the more devastating Cyclone Gabrielle. All the while, we were working with a government that was single minded on implementing legislative changes at a pace not witnessed before.

As I write this column, my last as CEO for Horticulture New Zealand, I reflect on the resilience, tenacity and adaptability shown by growers and business owners.

It is a testament to the strength of every single grower and our collective horticulture community. I know that the ongoing costs of production and interest rates has and continues to test many growers on a daily basis, but I want to say it has been an honour and privilege to have supported growers during these challenging times.

As we collectively reflect on the past year, it's evident that the horticulture sector, our sector has been in a continued state of recovery in many areas. Growers have all faced numerous challenges but also achieved significant milestones.

This Annual Report provides an opportunity to take stock of our journey, celebrate our successes, and outline our vision for the future.

Supporting growers

In the unrelenting aftermath of Covid-19, two cyclones and continued inflationary pressure, increased compliance costs and less certainty, the HortNZ team has worked hard to support growers to rebuild and recover.

Our efforts have been multifaceted, focusing on continued relief, advocacy for long-term support, and providing practical resources to help growers get back on their feet.

We work to facilitate access to Government, lobbying to get officials and Ministers out on the land to see and hear first-hand the challenges and constraints. The policy team work tirelessly with local authorities and central Government to streamline processes and outline where existing or proposed policies are untenable and often unworkable.

We continuously pushed for regulatory adjustments to reduce the bureaucratic burden on growers, allowing them to focus on recovery and productivity.

Furthermore, the team have been vocal advocates for long-term, sustainable solutions to enhance resilience for growers following natural disasters. This involved lobbying for infrastructure investments in water storage and flood protection, which are critical for mitigating the effects of future climatic events.

Navigating labour and regulatory challenges

Labour remains one of the most challenging issues for our growers and the Recognised Seasonal Employer (RSE) scheme is a crucial component of our labour eco-system. HortNZ holds strong and trusting relationships with both the Government and our Pacific partners where we advocate for the interests of our growers.

Alongside pushing hard for the Government to conclude the policy review, HortNZ has also been consistently pushing for immediate policy changes that would support our growers, such as removing the accommodation freeze, adjusting the 30-hour per week minimum requirement, and changing the +10% wage threshold indexation.

Ensuring access to a reliable seasonal workforce is essential for planting, maintaining, and harvesting crops and any shortfall impacts the entire sector. Without the support of a robust seasonal labour supply, growers' businesses are put at risk. Our discussions with policymakers repeatedly emphasises the need for certainty in policy settings to safeguard the viability of existing businesses even before there is any consideration for growth of the sector.

In parallel, we continue to confront a complex and often burdensome regulatory environment which impacts profitability and in turn, undermines growers' confidence in future investment.

Growers are often affected by regulations that do not always align with the practical realities of horticultural production. HortNZ has been at the forefront of advocating for a fit-for-purpose regulatory framework that reduces unnecessary burdens and recognises our industry assurance programmes like NZGAP.

Simplifying compliance requirements and promoting sustainable practices are key to stabilising fruit and vegetable production which will benefit both growers and consumers.

Our engagement with government officials has been crucial for shaping policies that reflect the realities of horticulture and support our long-term sustainability.

Celebrating young growers

Despite the challenges, there are many reasons to celebrate within our community. This year, we once again recognised the efforts and achievements of our young growers. Their fresh perspectives and innovative ideas are essential for the future of our industry. Supporting and mentoring these young talents ensures that we have a robust pipeline of skilled individuals ready to lead the sector forward.

The success of our young growers is showcased in various events and competitions, such as the regional events that culminate in the national Young Grower of the Year, which not only recognise their achievements but also inspire others to pursue careers in horticulture. Our focus on youth development is an important and deliberate investment in the future.

Horticulture conference

A highlight of our 2023 year was the Horticulture Conference Week in Christchurch, a gathering that brought together approximately 1,000 growers and stakeholders from across the sector to discuss current issues and innovative solutions. The conference was a resounding success, serving as a platform for sharing knowledge, networking, and showcasing advancements in technology and sustainable practices.

These connections are vital as we strive to balance productivity with environmental stewardship. The conference also provided an invaluable opportunity for growers to voice their concerns and share their experiences, ensuring that our strategies remain aligned with their needs.

Bringing the RSE conference and the Horticulture conference together allows growers to attend both events whilst only incurring the expense of one trip away off-farm. The venue was a highlight for everyone and feedback to look to utilise more venues like Te Pae has been taken onboard for future events.

Sustainable water management and climate resilience

Water allocation and storage remain critical issues for many regions, reflecting broader concerns about climate change and resource management. Efficient water use is essential for ensuring a reliable and resilient supply of fresh produce.

The policy team have been actively engaged in discussions with the Government about water policies, advocating for approaches that support sustainable water management practices while meeting the needs of our sector.

Addressing water challenges requires a collaborative approach involving policymakers, industry stakeholders, and the wider community. By promoting efficient water use and supporting infrastructure investments, we can enhance our resilience to climate variability and secure our future productivity.

Levy consultation

At the beginning of 2024, we held a series of meetings with growers as part of consultation for the commodity levy referendum. Alongside the executive team and our staff, I travelled across New Zealand from Northland to Central Otago. I talked to growers of all sizes and crop types and found that growers' long term top priorities were water, climate change and adaptation, and a resilient food system that will secure supply both domestically and for export. There is already substantial work underway on these priorities and they will continue to be a focus.

Resignation

While the announcement of my resignation came shortly after the last financial year had concluded, I would be remiss not to take the opportunity to firstly thank my team. I have been incredibly fortunate to have had the chance to work with such a dedicated and committed team. I can genuinely leave knowing that the future of our sector remains in incredibly capable hands. Growers need to have comfort and confidence that their industry organisation is working in their best interests. I can assure you this is 100% the case with the HortNZ team.

Though you could do with a few more subject matter experts (SME's) the ones you currently have are the best in their fields and I have been amazed at the width and breadth of their knowledge, their ability to fight tirelessly in often very frustrating circumstances and often against multiple parties. Look after them,



know that they are trying to navigate not only a myriad of requirements from within our own sector but then outwardly in the wider food and fibre arena before even facing officials and ministers.

I would like to thank my board for the support and confidence they have shown me in my tenure. I was afforded the scope and freedom to make some significant changes and though not all are concluded by any means, they are well entrenched in the strategy for HortNZ. The support and commitment of the board to the Aotearoa Horticulture Action Plan (AHAP) is one of the most notable examples of this. To commit funds and resource to the overarching horticulture strategy that HortNZ has limited influence on is evidence of their confidence in the wider team to work in the best interests of growers.

I have thoroughly enjoyed the last three and a half years serving our growers and I am proud of the work that the HortNZ team has achieved. Growers' resilience and passion never ceases to amaze me, and it has been a privilege to play my part in the continued success of the horticulture industry.

Conclusion

With the support of HortNZ, and a commitment to collaboration and innovation, our growers are well-equipped to overcome obstacles and drive the industry forward. The future holds promise, and our resilience and adaptability will be key to our continued success.

Together, you will continue to grow and thrive, ensuring that your industry remains a vital part of the nation's economy and a leader in sustainable agricultural practices.

Thank you for your continued support and dedication to the horticulture sector. Let's look forward to another year of growth, innovation, and success.

Poroporoaki me nga mihi pai

*Moce mada ka vakanuinui vinaka, Ti a boo ao tekeraoi,
Mi laik tok na lukim yu behain, Tōfa soifua ma ia manuia,
Gudbae en best wishes, Mou me'a a mo e talamonu atu,
Tofa kae ke manuia, Lukim yu ale tata, mo pasem wan
gudfala taem*



Nadine Tunley
Chief Executive



\$4.67bn

value of horticulture exports



\$2.81bn

worth of domestic horticulture



Fruit \$3.94bn



Vegetables \$0.73bn



Fruit \$1.10bn



Vegetables \$1.71bn



100+

types of fruit and vegetables
grown in New Zealand



4,500+

commercial fruit and vegetable
growers in New Zealand

Snapshot of commercial fruit and vegetable growing in New Zealand



80,000

hectares of horticulture land
in New Zealand (approx)



40,000+

people employed



Female 39%



Male 61%



\$7.48bn

value of horticulture industry



3,700

growers use NZGAP or
GlobalG.A.P assurance programmes

Sources: MPI, Stats NZ, Fresh Facts and Food and fibre workforce insights www.workforceinsights.govt.nz

Note: Horticulture exports based on value, domestic horticulture based on spend

HortNZ priority areas

HortNZ advocates relentlessly for growers no matter their size, type of growing system or product. We are a small organisation dedicated to helping growers thrive. We work to deliver in five key areas within our control.

Shaping sector strategy

We ensure there is a collective long-term vision for horticulture and the support to implement strategic initiatives.

Measure: HortNZ participated in 15 pan-sector working or governance groups

Regular meetings between HortNZ, product groups, Members of Parliament and government agencies – in particular, the Ministry for Primary Industries, the Ministry of Business, Innovation and Employment, including Immigration New Zealand, the Ministry for the Environment and the Ministry of Foreign Affairs and Trade – play an important role in HortNZ's advocacy and ability to represent the horticulture sector as a whole. In 2023 and 2024, HortNZ participated in pan-primary sector groups that seek to achieve outcomes in biosecurity, food safety, crop protection adverse events and pan-primary sector leadership.

Through our work with government and other primary sector organisations we seek to build strengthened alliances, these relationships have become essential forces in presenting common messages, pursuing common goals, enforcing policy changes, and ensuring the protection of policy 'wins' in the event that they are threatened.

In addition to participating in pan sector groups and government working group, HortNZ is facilitating a coordinated approach to implementing projects aligned with strategic priorities through the Aotearoa Horticulture Action Plan and is the owner of NZGAP which provides assurance.



New Zealand Good Agriculture Practice (NZGAP)

HortNZ is the owner of the NZGAP scheme. NZGAP is governed by a sub-committee of the HortNZ Board but is managed and funded independently. See the NZGAP annual activity report for more information.

www.nzgap.co.nz

Aotearoa Horticulture Action Plan

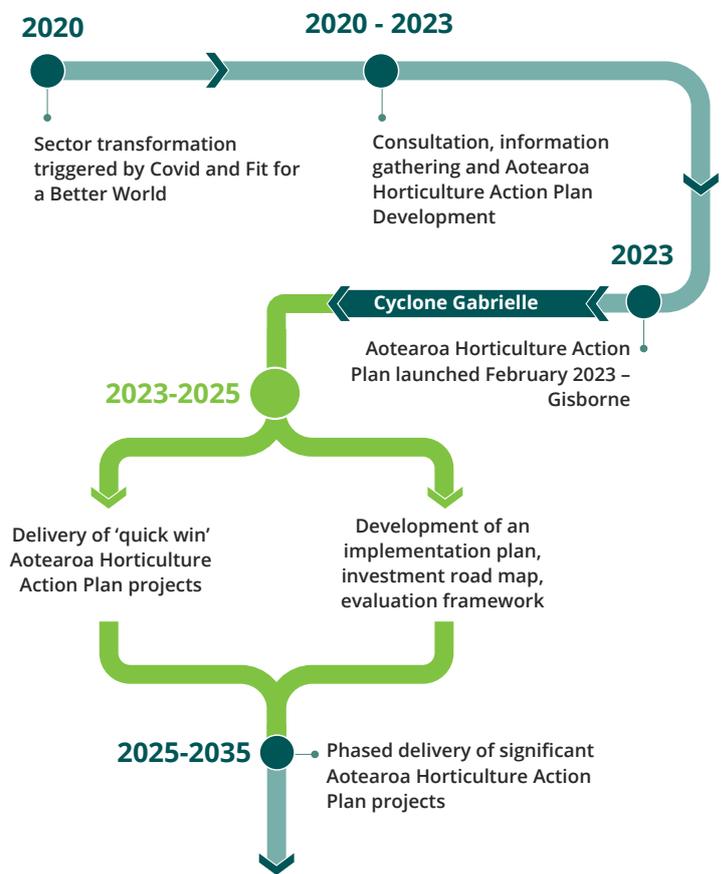
Launched in 2023, the Aotearoa Horticulture Action Plan (AHAP) provides a guiding compass for the New Zealand horticulture sector. The plan creates efficiencies by allowing partners to align efforts and investment towards common actions.

AHAP activities are driven by a small collaborative programme team spanning industry, government and science. HortNZ is funding a programme manager as a contribution on behalf of the wider sector.

Good progress is being made on two concurrent streams of AHAP work – delivery of a suite of quick win projects, and development of the wider programme implementation plan.

Three quick win projects have been completed to date, with three more in progress. Details can be found on the HortNZ website.

The implementation plan development phase will map the activity required to deliver the AHAP actions over the lifetime of the plan, determine investment requirements and create a framework for evaluating AHAP success over time. The overarching goal of this phase is to prepare for the 2025-2035 'decade of delivery'.



Proactively influencing policy

HortNZ seeks the best operating conditions for horticulture in the areas of environment, biosecurity, food safety, crop protection and labour.

Measure: HortNZ lodged 61 submissions

In May 2023, HortNZ released an election manifesto to communicate our priorities to the incoming government, including the need for a Minister for Horticulture, increased resilience against climate change, flexibility in land use, water allocation, recognition for industry assurance schemes, access to crop protection tools and more. HortNZ achieved the first of these aims with the appointment of an Associate Minister for Agriculture (Horticulture) under the new government, and we continued to advocate for the other priorities through communications including meetings with Ministers and government officials.

Enabling food supply – resource management reform

The Natural and Built Environment Act, which achieved royal assent in August 2023, included a requirement that the National Planning Framework address enabling the supply of fresh fruit and vegetables. This Act was repealed in December 2023 but set the precedent for the national importance of horticulture.

In early 2024, HortNZ received invitations on limited consultation lists to provide early feedback on the Fast-Track Approvals Bill and targeted changes to the Resource Management Act (RMA). We once again called for recognition of the supply of fruits and vegetables, as well as the recognition of highly productive land as a matter of national importance. We sought a permitted activity for commercial vegetable production, allocation for crop survival water, and an improved pathway for industry assurance programmes to deliver freshwater farm plans.

Climate change, biodiversity and freshwater

In the climate change mitigation space, HortNZ submitted on the EV Charging Strategy, Advancing New Zealand's energy transition, NZ ETS limits and price control settings, and advice for the Second Emissions Reduction Plan. We advocated for policies that support a just transition to a low emissions economy while recognising horticulture as a low emissions land use. We called for New Zealand's approach to international climate negotiations to promote the intertwined goals of reducing global emissions while addressing global hunger.

With regard to climate adaptation, we cautioned the Government against applying urban risk frameworks to lower risk rural activities like horticulture in submissions on the Inquiry into Climate Adaptation and the Proposed National Policy Statement for Natural Hazard Decision-making. We sought system design for a biodiversity credit system that recognises the positive environmental projects underway in the horticulture industry, such as wetland development and intercropping for integrated pest management. HortNZ also developed and published a StoryMap interactive webpage to help policymakers understand how vegetable growers manage their freshwater risk.

Land use and highly productive land

In 2023, HortNZ submitted to caution that regulations to prevent electricity hazards from trees should not have the unintended consequence of restricting orcharding. We called for amendments to the National Policy Statement for Electricity Transmission to integrate with the National Policy Statement for Highly Productive Land (NPS-HPL) to resolve land use conflicts between electricity infrastructure and primary production. We also supported a consenting pathway for greenhouses on highly productive land through an amendment to the NPS-HPL, providing officials with mapping, planning and legal evidence.

Regional planning

This year, HortNZ submitted on freshwater objectives, policies, targets and values under the National Policy Statement for Freshwater Management 2020 (NPS-FM). These submissions spanned Northland, Auckland, Waikato, Bay of Plenty, Horizons, Greater Wellington and Marlborough. HortNZ participated in five mediations and presented at hearings on 11 district and regional plans and strategies. We also presented at Environment Court hearings in the consequential Waikato PC 1 and Horizons PC 2 cases, which focused on ensuring the rules to manage discharges from commercial vegetable production are workable.

Business and commercial

HortNZ submitted on the Grocery Code of Conduct which is now operative and aims to promote fair conduct between the two major supermarket retailers and suppliers, including growers who sell directly to supermarkets. HortNZ called for the code to recognise the unique challenges of fruit and vegetable supply, including the risk that growers take on when they plant their crops a season or more ahead of demand. We organised a webinar for growers and distributed information about how to check whether new supply agreements are in line with the code. We also submitted on the Grocery Industry Dispute Resolution Scheme, asking that the system is designed with the inherent power imbalance between supermarkets and suppliers in mind. We continue to push for the code to cover the entire supply chain, including intermediaries.

In addition, HortNZ submitted on the National Organic Standard last year, working with organic groups and growers to push for consistency with existing New Zealand and international standards.

Recognised Seasonal Employer (RSE)

HortNZ has continued to advocate for RSE growers that employ RSE workers. Regions in the North Island experienced extreme weather events in 2023 which impacted industry, communities and workers from the Pacific particularly in Gisborne and Hawke's Bay. The resilience shown by growers, their employees and the wider communities is to be commended as they dealt with damages to property and orchards and coped with financial loss.

HortNZ continues to advocate on policy around RSE workers to support our ability to harvest and strengthen our relationships with the nine Pacific RSE countries and communities.

2023 saw the introduction of some policy changes (such as 10%+ on top of minimum wage) being implemented. HortNZ and other product groups argued strongly against (and were successful in moving from them being implemented in April to October 2023, given Cyclone Gabrielle's impacts). We are aware that employers are under increased financial pressure to continue to employ RSE workers. The Government and Minister of Immigration have provided an opportunity to ensure feasible and practical solutions on areas that continue to pose challenges for growers. In addition to this, HortNZ continues to work closely with our Pacific partners to ensure connectivity and open dialogue.

The RSE scheme is about enhancing economic benefit from employers, workers and their communities and the Government. Building trust between inter-agency and our Pacific partners is critical not only from an economic approach but social advantage for families and communities.



Biosecurity

HortNZ has continued to work to ensure that the biosecurity risks associated with imported goods are managed appropriately. HortNZ has been a member of several strategic groups focused on improving New Zealand's biosecurity system, including the Biosecurity System Strategy Working Group. At the regulatory level, HortNZ has participated in numerous Import Health Standard workshop meetings and lodged 15 submissions about changes to standards. While some submissions supported the suggested changes, others questioned the robustness and fairness of the proposals from a horticulture perspective. As an example, the unintended consequences of the dramatic increases in MPI's post-entry quarantine service charges were highlighted, particularly the potential that this could prevent smaller horticulture sectors from being able to afford to import germplasm. HortNZ also continues to take a pan-sector view into Government-Industry-Agreement work programmes at the operational agreement and governance levels.

Crop protection tools

The Environmental Protection Authority (EPA) is currently reassessing the safety of several crop protection tools. Earlier this year, HortNZ coordinated the submission of a large amount of information to EPA highlighting the criticality of synthetic pyrethroid insecticides to growers, particularly vegetable growers. As part of this submission, HortNZ also commissioned an independent expert review of the EPA's risk modelling work, which highlighted issues with the tools the agency is using and the limited expertise they currently have in this important area. HortNZ continue to work with EPA and the Agricultural Compounds and Veterinary Medicines (ACVM) group within New Zealand Food Safety (MPI), requesting that their processes and decision-making ultimately enables growers to have access to the most effective and safest tools.

Food safety

The Risk Policy team has also been involved in ongoing engagement with New Zealand Food Safety (NZFS) to promote greater recognition by MPI of Good Agricultural Practice food safety and assurance schemes for both the domestic and export markets. Two recent events have brought this issue into greater focus. One is the Food Safety Importations team recognising that private assurance schemes offer sufficient assurance for the importation of a high-risk food (frozen berries). HortNZ will continue to work with NZFS to gain a similar recognition of GAP systems for export assurance. Secondly, with the announcement that NZFS will go ahead and introduce a new Food Business Levy, HortNZ will continue to advocate that levy revenue sourced from growers is spent on improving food safety outcomes for growers.

Genetic engineering regulations

Another area of activity for HortNZ risk policy, is the government's wish to rapidly liberalise the existing regulations regarding the use of genetic engineering techniques within New Zealand. HortNZ has been engaging with the Ministry of Business, Innovation and Employment as it reviews the existing systems here and overseas. A Bill is expected to go before Parliament before the end of 2024.



Translating sector wide change

HortNZ ensures growers and rural professionals are aware of newly implemented policy, regulations, requirements and best practice.

Measure: HortNZ held three horticulture industry forum events sharing information and upskilling the sector. In addition to the horticulture industry forum events, HortNZ facilitated numerous grower extension activities through three key projects, A Lighter Touch, Growing Change and Grow Home Safe.

A Lighter Touch

The A Lighter Touch programme is an industry and government partnership supporting New Zealand growers to move to producing plant-based foods with a lighter environmental touch. It works with the horticulture, arable and viticulture sectors to help growers move from agrichemical reliance to agroecological crop protection – sustainable farming that works with nature.

HortNZ holds the contract for this \$27 million seven-year programme, which is funded by the Ministry for Primary Industries, and a partnership of 15 plant product groups and three crop protection companies.

The programme, which began in 2020, now has 32 projects completed or underway, including 11 agroecological projects and 13 spray trials of biological options and softer chemistry. The purpose of these projects is to find new tools and technologies to manage pests and diseases, demonstrate their practical application on-farm and share the knowledge gained to growers, via their product groups.

Projects include plantings of native perennials and annual flower species in vegetable crops at the programme demonstration farm, designed to show how increasing biodiversity on vegetable farms can result in more beneficial insects, fewer insect pests in crops, and less insecticides required. Another example is a project aiming to reduce agrichemical applications on greenhouse tomatoes by revitalising Integrated Pest Management (IPM) crop protection practices within the New Zealand greenhouse tomato industry.

In summerfruit, a project is underway taking learnings from an earlier biodiverse planting project demonstrated in citrus orchards. As with the work in citrus, the summerfruit project is aiming to enhance biodiversity through establishing understory planting in the orchard. The summerfruit understory project is also looking at associated co-benefits, including weed management, improved disease control through covering bare ground, and improvements to soil health.



A Lighter Touch biosecurity forum – attendees scouting for beneficial species in the annual flower strip at the Pukekohe demonstration farm

Growing Change

The Growing Change project, a collaboration between Horticulture New Zealand and the Ministry for the Environment, is now entering its final year of a three-year initiative. The project aims to bolster the adoption of Good Agricultural Practice (GAP) Freshwater Farm Plans within the horticulture sector. By targeting educational outreach and extension services, the project seeks to improve water quality in catchment areas where commercial fruit and vegetables are grown. The project supports growers with technical workshops on nutrient, soil, and water management, and fosters peer learning via a network of specialist advisors, equipping growers with the knowledge to enhance farm practices and water sustainability.

Feedback from growers and product groups has been overwhelmingly positive, with many adopting proactive measures in environmental farm planning. This includes integrating the GAP assurance programme's environmental management system (EMS) add-on, which aids in documenting mitigation strategies in a GAP-farm environment plan (FEP) to comply with Freshwater Farm Plans.

The project includes ten catchment regions, each supporting growers through a network of advisors and technical specialists. Notable successes include the closure of Waimea, Levin/Manawatu, and Ohakune catchments, with a significant increase of growers completing FEPs covering an approximate total of 5,857 hectares of productive horticulture land, with an average of an 8-fold increase of audit ready FEPs in completed regions.

Two catchments, Pukekohe/Waikato and Otago/Southland (nearing completion in August) are showing high grower uptake and results are to be finalised upon closure.

Selwyn catchment is ongoing with advisor support for the growers in developing FEPs, and the last four catchments Northland, Gisborne, Hawke's Bay and Kaituna are live from July. The Growing Change project is a testament to the grower's commitment to environmental stewardship and sustainable practices.

The training programme under development is another crucial component, aiming to educate growers, horticulture advisors, and auditors on managing freshwater risks. This micro-credential is being designed in partnership with Muka Tangata, the Food and Fibre Workforce Development Council, and Te Pukenga Primary ITO, ensuring that the skills standards and learning outcomes are rooted in industry environmental codes of practice.

Grow Home Safe

HortNZ continued to partner with ACC on the Grow Home Safe project developing new approaches to reduce harm and enable people to thrive in the horticulture industry. This year has been a year of delivery, delivering practical tools that growers can use. Examples are the foundation passport training tool - this online tool gives workers new to horticulture an overview of health and safety and a greater understanding of the area of work they will be entering. We developed and distributed stretching and get ready for work posters to growers via various channels. Three Safety-II case studies were completed with video findings made available on the HortNZ website. These case studies focus on ensuring a successful work situation.

The Grow Home Safe project will be completed in mid-2024 and will migrate to Safer Farms, the industry-wide initiative.

The Horticulture Recovery Project

Following Cyclone Gabrielle, HortNZ accessed MPI's North Island Weather Event Fund for the purposes of providing growers with urgent support services needed to improve wellbeing. Two tranches of funding were administered with 54 growers accessing financial support for professional services.

A local contractor was appointed in three regions to provide region specific support including:

- Assisting growers in liaising with local councils
- Enabling growers to access sediment removal to make their properties safe
- Informing growers of and assisting them in accessing MBIE/Kanoa and Treasury financial aid initiatives
- Running events
- Ringing growers to understand their challenges, provide support, and feeding this information to Wellington to help direct advocacy efforts.

The project funded 60 people across five regions to undertake risk management training intended to equip front line managers and growers with these critical skills.

The project also provided funding to other sector groups such as NZ Avocado, Hawke's Bay Vegetable Growers, Tairāwhiti Growers Association and, the Northern Wairoa Vegetable Growers Association to support their independent recovery initiatives.

Telling the horticulture story

| To elevate successes and elevate support for our growers.

Measure: HortNZ published 66 media releases/stories on the website. There were 11 issues each of NZGrower and The Orchardist

HortNZ hosted five government-industry engagement events connecting growers with officials in regions including Bay of Plenty, Tairāwhiti, Pukekohe and Central Otago and ran an officials networking event in Wellington.

We attended two field days which included stands at Northland Field Days and Mystery Creek Fielddays in Hamilton.

Two communication groups – one for fruit and the other for vegetables continue to meet monthly. These groups are made up of communication professionals

working in different parts of the sector. Members work together on initiatives to improve reporting and confer on media enquiries.

The HortNZ weekly update continues to be sent out to 4,800+ subscribers. This is complemented by the HortNZ website and LinkedIn. These two communication channels are used for day-to-day grower communications. LinkedIn is proving a popular channel for HortNZ with just under 10,000 followers. The Orchardist and NZGrower are used to provide context, and profile the range of growers that make up horticulture in New Zealand.



Facilitating grower connections

To enable sector wide information sharing, networking and attracting and developing talent.

Measures: 8 pan-sector events, 24 people engaged with HortNZ development opportunities

HortNZ delivered Horticulture Conference Week, the Young Grower national final, was involved in Young Grower regional finals and provided development opportunities for the sector.

Horticulture Conference Week – sharing success to strengthen our future

The Horticulture, RSE and New Zealand Apples & Pears Conferences merged in 2023 to bring together the inaugural Horticulture Conference Week. Conference Week was held at Te Pae, Christchurch Convention Centre from 31 July to 4 August. It attracted close to 1,000 delegates from around New Zealand including growers, stakeholders, sponsors, regulators and government. The week provided a rich smorgasbord of content. Themes were familiar – the environment, labour, regulation, rising costs, competition and uncertainty. Many fresh and thought-provoking perspectives were heard throughout the week.



The Young Grower of the Year

The annual Young Grower of the Year competition plays a key role in promoting horticulture and retention of young people in horticulture. HortNZ was again pleased to support the six regional competitions and host the national final. In 2023, Taylor Leabourn from Pukekohe won the Young Grower of the Year and will represent the fruit and vegetable sector at the Horticulturist of the Year competition in 2024.

Taylor grew up in the city and now he's strongly focused on introducing other young urban school leavers to the horticultural sector.

"I still have a lot of experience to gain but in the future, I would love to get to a place where I can work to help the industry as a whole."

The other finalists were:

- Gregoire Durand, Central Otago
- Dillon Peterson, Nelson
- Sydney Hines, Bay of Plenty
- Emily Samuel, Gisborne
- Jan Buter, Hawke's Bay

Meryn Whitehead, winner of the Young Grower of the Year in 2022, went on to win the Young Horticulturist of the Year in 2023.



Taylor Leabourn (middle) Young Grower of the Year 2023

Ahuwhenua Trophy

HortNZ played an active role in facilitating the Ahuwhenua Trophy Excellence in Māori Horticulture competition and Young Māori Grower of the Year competition. The competition is held annually, alternating each year between dairy and sheep and beef and now horticulture. The trophy is the most prestigious award for Māori agriculture. HortNZ was a proud sponsor of these awards in 2023 which saw Wi Pere Trust winning the coveted title.

Industry Awards

Each year HortNZ makes several awards in recognition of outstanding contributions to commercial fruit and vegetable growing in New Zealand. The 2023 awards were presented at the Horticulture Conference gala dinner.

Bledisloe Cup

Max Lilley won the horticulture Bledisloe Cup in 2023 in recognition of his outstanding contribution to commercial growing in New Zealand.

Max first served at a national level in 1979 when he represented the Process Vegetables sector. He went on to hold several governance roles through the 1980s and 90s with the Canterbury Growers' Federation. He was VegFed president when the Commodities Levy Act was introduced and led the organisation through a successful process.

Today Max chairs the Growers' Trading Trust. When the company was sold to Farmlands, the proceeds were used to set up a trust for the advancement of horticulture in Canterbury. Max continues to be an active member of the Canterbury Grower's Association.



Max Lilley (middle) Bledisloe Cup winner 2023

President's Trophy

Colin Jenkins was awarded the President's Trophy in 2023 in recognition of his passion for working on behalf of the horticulture industry, and his commitment as a business leader and successful grower.

Colin has dedicated his life to horticulture. He started his career as a market gardener and went on to become the General Manager of Ngai Tukairangi land trust, developing it from a fledging organisation to an industry leader.



Colin Jenkins (middle) President's Trophy winner 2023

Industry Service Awards

HortNZ awarded three Industry Service awards in 2023.

Grant McKay has encouraged many young people to take up a career in horticulture. He revived the Otago Young Grower of the Year regional final and turned it into a high calibre event.

John Jackson has been in the horticulture industry for nearly 50 years. Instrumental in improving seed quality and combating pests and diseases, John has concentrated his efforts in the process vegetables and potato industries.

Dr Jim Walker has had a 45-year career participating in and leading New Zealand scientific innovation. Although primarily associated with the apple sector, Jim has made significant contributions to the avocado, summerfruit, citrus and onion industries. Jim has used his scientific expertise to develop innovative tools and techniques around pest and disease management.

Environmental Awards

HortNZ awarded two Environmental Awards in 2023.

Rebecca and Mike Casey of Forest Lodge Orchard have worked hard over the last few years to achieve climate excellence in food production. They run a six-hectare, high density cherry orchard in Central Otago, that operates without burning fossil fuels. Everything from irrigation, frost fighting, vehicles and tools are powered through New Zealand's renewable grid and through the power they generate and store using extensive solar and battery array.

Jesse and Matthew Malcolm of Southern Produce are part of a catchment group project driving change across different farming types in Southland. They have worked with the catchment group to reduce the environmental impact of their operation through the use of information – in particular, soil types.

Life Membership Awards

HortNZ awarded three Life Membership Awards in 2023.

Murray Stephens has held a succession of governance positions in the fresh and process vegetable, potato, grain and blackcurrant industries. Murray has a long association with the blackcurrant sector and as a founding member and chair of the New Zealand Blackcurrant Co-operative. Murray is an active member of the Canterbury Growers' Association.

Andre de Bruin has been involved in vegetable industry governance for more than 25 years at both regional and national levels. Andre's work has had a positive impact on the kumara and wider vegetable industry. He has a strong philosophy of making sure the next generation of growers and industry leaders are successful through mentorship.

Mike Arnold is a strong advocate for the training and development of people in the vegetable sector. Mike is a past director of HortNZ and chair of the Canterbury Growers' Association. Mike serves on the Brassica Crop Advisory Group for Vegetables New Zealand.

Promoting horticulture as a career

HortNZ Leadership Programme

The HortNZ leadership programme was put on hold whilst HortNZ partnered with the Food and Fibre Centre of Excellence (FFCoVE) to undertake a review in alignment with leadership framework development activity taking place in the wider primary sector. The HortNZ leadership programme was re-launched in 2024 for potential and current leaders from all age groups in the fruit and vegetable industry.

HortNZ Scholarships

HortNZ continued to offer trades training, undergraduate and postgraduate scholarships targeting learners in studies in or related to horticulture. There were 20 successful recipients of the HortNZ Industry Training Scholarships in 2023.

Recipients of our 13 undergraduate scholarships and three postgraduates received an all-expenses paid experience to the 2023 Horticulture Conference held in Christchurch. The top three undergraduates received a further \$3,000 to support their studies funded by the Horticulture Charitable Trust.

Three postgraduate students received \$10,000, two funded by NZ Fruitgrowers' Charitable Trust, and one by HortNZ. These scholarships have supported research in environmental management in horticulture production systems, understanding how the natural environment can be used to reduce pesticide use and increase production, and remote sensing systems for apple tree health detection, determination, and differentiation.



Scholarship recipients 2023

Horticulture as a Career

All government funding supporting our regional career progression activity came to an end and led to a reprioritisation of activities in our capability portfolio. HortNZ refocused its efforts towards careers promotion through the InZone Careers bus and World of Work Kiosks that are in over 50 locations throughout New Zealand. 12,000 people visited the careers bus with over 84,000 promotional videos viewed.

HortNZ promoted horticulture at two careers' roadshows in Northland, ran a stand at the Careers Hub at Mystery Creek Fieldays in Hamilton and presented at the Horticulture and Agriculture Teachers Association Conference in Hawke's Bay.

HortNZ partnered with Agribusiness in Schools profiling the GoHort brand and provided funding and resources to support teachers in 111 secondary schools delivering agribusiness achievement standards.

Examples of other activity includes:

- Review of secondary school qualifications, primarily Ag/Hort Science NCEA Level 2

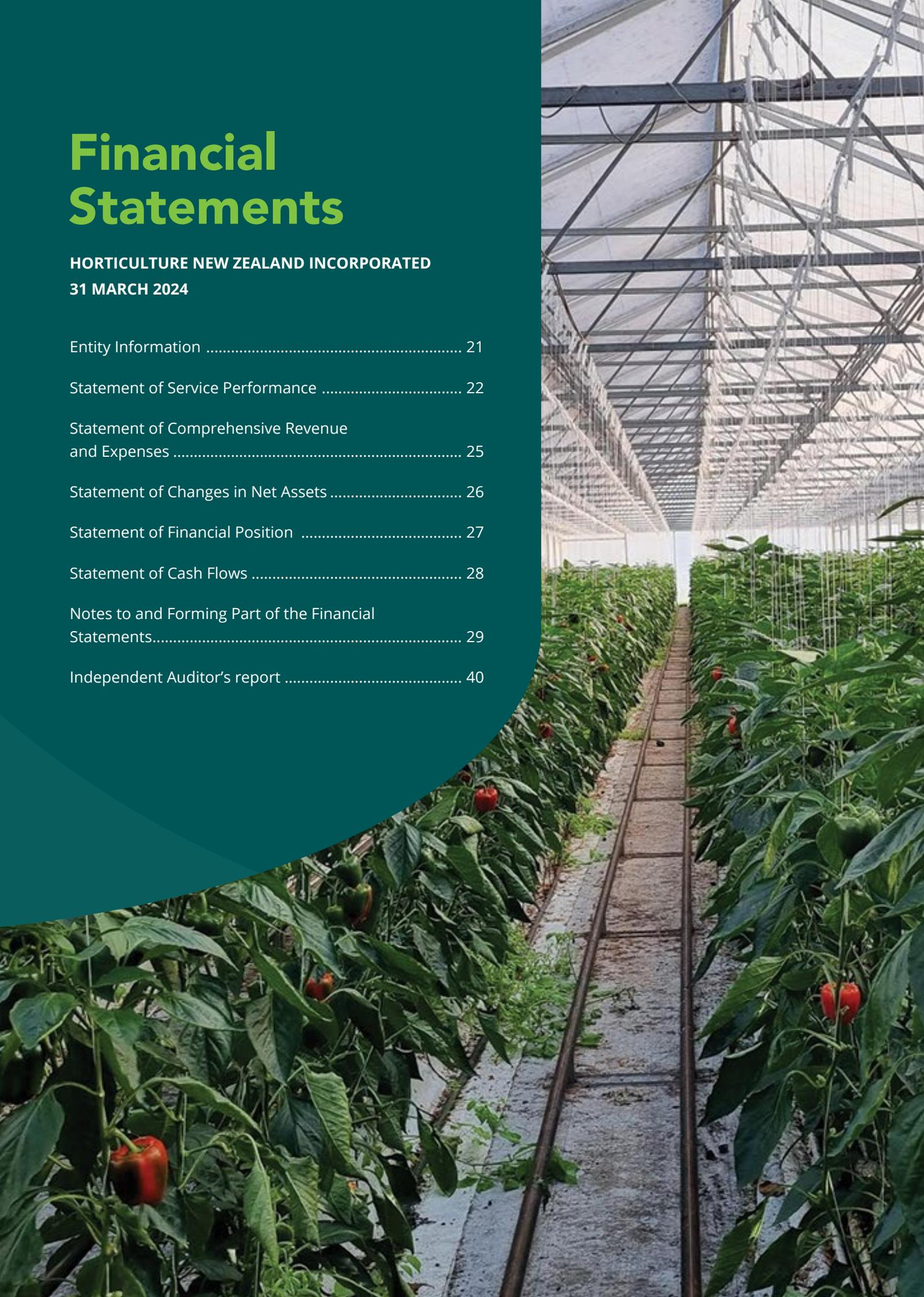
- Advocating for the retention of the Bachelor of Plant Science, Master of Science in Plant Breeding, and the Postharvest Lab Facility at Massey University
- Approval for the development of a micro-credential for the Emerging Leadership course
- Assessment and review of professional development plans for advisors as part of the MPI Career Pathway Scheme
- Input into the creation and development of MPI's workforce data and forecasting model that will be built on to provide greater workforce market intelligence helping to direct investment into horticulture's talent pipeline
- Intervention in the accessibility of strategic component funding for Private Training Establishments (PTEs)
- Contribution to the Tertiary Education Commission (TEC) investment plan proposal for horticulture vocational training provision.



Financial Statements

HORTICULTURE NEW ZEALAND INCORPORATED
31 MARCH 2024

Entity Information	21
Statement of Service Performance	22
Statement of Comprehensive Revenue and Expenses	25
Statement of Changes in Net Assets	26
Statement of Financial Position	27
Statement of Cash Flows	28
Notes to and Forming Part of the Financial Statements.....	29
Independent Auditor's report	40



Entity Information

Horticulture New Zealand Incorporated
For the year ended 31 March 2024

Legal Name of Entity

Horticulture New Zealand Incorporated

Incorporated Societies Number

1692422

Entity Type and Legal Basis

Incorporated Society

Entity's Purpose

Creating an enduring environment where growers thrive

Entity Structure

Incorporated Society

Main Sources of Entity's Cash and Resources

Revenue generated from levies

Main Methods Used by Entity to Raise Funds

Funded through a commodity levy on the sale of fruit and vegetables

Physical Address

Level 4, 20 Ballance Street, Wellington 6011

Postal Address

PO Box 10232, Wellington 6140



Statement of Service Performance

For the year ended 31 March 2024

VISION

Healthy food for all, forever.
Oranga kai, oranga tangata, haere ake nei

PURPOSE

Creating an enduring environment
where growers thrive

GOALS



Growing is rewarding



All growers are responsible growers



Growers can keep growing



Strength through trust and cooperation

Horticulture New Zealand (HortNZ) is an Incorporated Society. HortNZ formed out of the merger of the New Zealand Vegetable and Potato Growers' Federation (Vegfed) and the New Zealand Fruit Growers Federation (NZFF) in 2005. HortNZ is funded by a levy under the Commodity Levies (Vegetables and Fruit) Order 2019. In 2018, HortNZ held a referendum asking growers to vote on a new compulsory levy affecting all fruit and vegetables. Growers voted yes to the levy, which came into effect in February 2019.

HortNZ was established to advocate for and represent the interest of the approximately 4,500+ commercial fruit and vegetable levy paying growers in New Zealand. These growers supply fresh and processed fruit and vegetables to domestic consumers, as well as exporting crops to consumers overseas. The horticulture industry is valued at \$7.48b with \$4.67b in exports annually.

Strategic Priority	Measure	2023/24 Outcome	2022/23 Outcome
<p>Shaping Sector Strategy</p> <p>We delivered on shaping sector strategy to ensure there is a collective long-term vision for horticulture and an effective structure to deliver on strategic initiatives by:</p> <p>Objective:</p> <p>Influencing wider food and fibre sector initiatives. Participating in pan-sector working groups allows HortNZ to advance horticultural interests at the table with other primary sector groups. Invitation to participate in these groups shows that the HortNZ voice is valued. HortNZ is often the only representative for the horticulture industry in these groups and makes clear what differentiates our needs from other industries.</p>	<p>The number of pan-sector working groups or governance groups that HortNZ participated in</p>	<p>HortNZ participated in 15 pan-sector working groups or governance groups</p>	<p>HortNZ participated in 13 pan-sector working groups or governance groups</p>
<p>Proactively Influencing Policy</p> <p>We delivered on proactively influencing policy to seek the best operating conditions for horticulture in the areas of environment, biosecurity, food safety, crop protection and labour by:</p> <p>Objective:</p> <p>Responding to government and local council consultations</p>	<p>The number of submissions lodged by HortNZ</p>	<p>HortNZ lodged 61 submissions</p>	<p>HortNZ lodged 60 submissions</p>
<p>Telling the Horticulture Story</p> <p>We delivered on telling the horticulture story to elevate support for growing by:</p> <p>Objective:</p> <p>Conveying what the opportunities are and what it takes to grow good food</p>	<p>Number of HortNZ media releases published and the number of media requests for comment</p>	<p>HortNZ published 66 media releases/stories on the website. There were 11 issues each of the NZGrower and The Orchardist magazines, we also issued a weekly email newsletter</p>	<p>HortNZ published 120 media releases/stories on the website. There were 11 issues each of the NZGrower and The Orchardist magazines and we also issued a weekly email newsletter</p>
<p>Translating Sector Wide Change</p> <p>We delivered on translating sector wide change to ensure growers and rural professionals are aware of newly implemented policy, regulations, and requirements by:</p> <p>Objective:</p> <p>Providing growers up to date, relevant and reliable information in an integrated way</p>	<p>The number of industry information sharing and upskilling events, e.g., training sessions/workshops held by HortNZ</p>	<p>HortNZ hosted 3 Horticulture Industry Forum events presenting on a range of topics of interest for the sector</p>	<p>HortNZ held 3 events to explain changes to the sector</p>
<p>Facilitating Grower Connections</p> <p>We delivered on facilitating grower connections to enable sector wide information sharing, celebrating success, networking and attracting and developing talent by:</p> <p>Objective 1:</p> <p>Hosting events for growers</p> <p>Objective 2:</p> <p>Attracting and developing talent</p>	<p>Number of people engaging with HortNZ events</p>	<p>HortNZ held horticulture conference week - this included the horticulture, RSE and New Zealand Apples & Pears conferences</p> <p>HortNZ supported 6 regional Young Grower competitions and hosted the national final event</p>	<p>HortNZ held 1 conference</p> <p>HortNZ was involved with 7 young grower competitions</p>
	<p>Number of people engaging with HortNZ development opportunities</p>	<p>HortNZ awarded 24 scholarships</p> <p>There was no leadership course in 2023/24 as we sought to refresh the format and relaunch in 2024/25</p>	<p>HortNZ awarded 44 scholarships</p> <p>23 people attended the HortNZ leadership course</p>

Approval of Financial Report

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

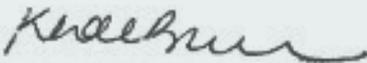
The Directors are pleased to present the approved financial report including the historical financial statements of Horticulture New Zealand Incorporated for year ended 31 March 2024.

APPROVED



HortNZ President

5 July 2024



HortNZ Chair of Audit & Risk Committee

5 July 2024

Statement of Comprehensive Revenue and Expenses

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

Account	Notes	2024	2023
Revenue			
Horticulture New Zealand - core activity		11,221,359	7,882,677
NZGAP		1,490,432	1,119,735
Vegetable Research & Innovation Board		138,302	266,918
Vegetables.co.nz		12,303	343,370
Process Vegetables NZ		830,173	541,828
SFFF - A Lighter Touch		4,654,260	3,307,261
Total Revenue	22	18,346,828	13,461,789
Expenses			
Horticulture New Zealand - core activity		10,528,268	8,106,901
NZGAP		1,495,320	1,155,617
Vegetable Research & Innovation Board		317,831	318,135
Vegetables.co.nz		423,267	305,643
Process Vegetables NZ		612,196	489,149
SFFF - A Lighter Touch		4,473,094	3,173,642
Total Expenses	22	17,849,976	13,549,087
Surplus/(Deficit) for the Year		496,852	(87,298)
Tax Expense	9	75,031	-
Surplus/(Deficit) for the Year after Tax		421,821	(87,298)

This statement is to be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Net Assets

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

Accumulated Funds 2024	Notes	Opening Balance	Surplus/ (Deficit)	Movements in Reserves	Closing Balance
Horticulture New Zealand		4,559,033	618,060	(35,648)	5,141,445
NZGAP		565,173	(4,888)	(23,492)	536,793
Vegetable Research & Innovation Board		340,884	(179,530)	(24,632)	136,722
Vegetables.co.nz		640,952	(410,963)	(12,860)	217,129
Process Vegetables NZ		617,529	217,976	(25,827)	809,678
SFFF - A Lighter Touch		1,201,083	181,166	122,458	1,504,707
Total Accumulated Funds		7,924,653	421,821	-	8,346,474

Accumulated Funds 2023	Notes	Opening Balance	Surplus/ (Deficit)	Movements in Reserves	Closing Balance
Horticulture New Zealand		4,883,257	(224,224)	(100,000)	4,559,033
NZGAP		601,054	(35,881)		565,173
Vegetable Research & Innovation Board		392,100	(51,216)		340,884
Vegetables.co.nz		603,225	37,727		640,952
Process Vegetables NZ		646,753	52,679	(81,903)	617,529
SFFF - A Lighter Touch		885,561	133,619	181,903	1,201,083
Total Accumulated Funds		8,011,950	(87,298)	-	7,924,653

This statement is to be read in conjunction with the Notes to the Financial Statements.

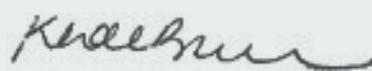
Statement of Financial Position

Horticulture New Zealand Incorporated
For the year ended 31 March 2024

Account	Notes	2024	2023
Assets			
Current Assets			
Bank accounts and cash	7	3,089,038	3,591,151
Prepayments		116,269	106,964
Sundry debtors		2,514,117	2,336,718
Investments	8	4,595,230	4,028,863
Provision for tax	9	21,460	62,730
Total Current Assets		10,336,113	10,126,426
Non-Current Assets			
Property, plant and equipment	10	437,743	130,996
Intangible assets	11	72,240	74,556
Total Non-Current Assets		509,983	205,552
Total Assets		10,846,096	10,331,978
Liabilities			
Current Liabilities			
Creditors and accrued expenditure	12	2,090,949	1,724,579
Income in advance		408,673	682,745
Total Current Liabilities		2,499,622	2,407,324
Total Liabilities		2,499,622	2,407,324
Total Assets less Total Liabilities (Net Assets)	8	8,346,474	7,924,653
Accumulated Funds			
Accumulated surpluses and deficits	8	8,346,474	7,924,653
Total Accumulated Funds	8	8,346,474	7,924,653



HortNZ President
5 July 2024



HortNZ Chair of Audit & Risk Committee
5 July 2024

This statement is to be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

Horticulture New Zealand Incorporated
For the year ended 31 March 2024

Account	Notes	2024	2023
Cash Flows From Operating Activities			
Cash was received from:			
Fees and other income		15,908,522	12,418,820
Interest income		290,482	143,721
		<u>16,199,003</u>	<u>12,562,541</u>
Cash was applied to:			
Payments to suppliers and employees		15,645,966	12,250,567
Net Cash Flows from Operating Activities		553,037	311,974
Cash Flows From Investing Activities			
Cash was received from:			
Decrease in investments		-	122,880
Cash was applied to:			
Fixed asset purchases		(416,543)	(57,505)
Intangible purchases		(72,240)	(57,097)
Increase in investments		(566,367)	-
Net Cash Flows from Investing Activities		(1,055,150)	8,278
Net (Decrease)/Increase in Cash		(502,112)	320,253
Opening cash		3,591,151	3,270,898
Closing cash		3,089,038	3,591,151
This is represented by:			
Bank and Cash	7	3,089,038	3,591,151

This statement is to be read in conjunction with the Notes to the Financial Statements.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

1. Reporting Entity

Horticulture New Zealand Inc ('the Society') is a society registered in New Zealand under the Incorporated Societies Act 1908.

The industry association represents New Zealand's 4,500+ commercial fruit and vegetable growers.

The Society is funded by a commodity levy on the sale of commercially grown fruit and vegetables.

The organisation is governed by a Board of nine directors made up of two appointed independent directors and seven elected grower directors. Additionally there is one appointed non-voting future director.

The financial statements are for the Society and its wholly owned subsidiary Horticulture New Zealand Limited.

2. Basis of Preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice (NZGAAP). They comply with the Public Benefit Entity International Public Sector Accounting applying the Reduced Disclosure Regime ("PBE IPSAS RDR"), as appropriate for Tier 2 not-for-profit public benefit entities.

The Board considers the basis to be appropriate for the users of the financial statements.

The Society has complied with the PBE IPSAS RDR in all material respects. The Accounting Policies that have been applied in respect to the preparation of financial statements are set out below.

The financial statements were authorised for issue in accordance with a resolution dated 5 July 2024.

(b) Measurement Basis

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

(c) Comparatives

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 31 March 2023 financial statements where appropriate to ensure consistency with the presentation of the current years position and performance. The net asset position and net surplus or deficit in comparatives is consistent with previously authorised financial statements.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Society, except as explained in Note 4, which addresses changes in accounting policies.

(a) Presentation of Statement of Revenue and Expenses and Statement of Changes in Net Assets

Both the Statement of Revenue and Expenses and Statement of Changes in Net Assets are presented on a by function basis categorised by the product groups that exist within the Society. Transactions that occur between product groups are disclosed and transfers within the Statement of Changes in Net Assets.

(b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Horticulture New Zealand Inc and the revenue can be reliably measured. Revenue is measured at fair value of consideration received.

The following specific revenue streams are recognised:

(i) NZGAP fees

Annual Fees for NZGAP is non-exchange revenue and accounted for on an accrual basis.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

(ii) Levies

Levies are non-exchange revenue and accounted for on an accrual basis. Revenue is recognised for produce sold in the year to 31 March where a growers levy declaration has been received by the Society.

(iii) The Orchardist and NZGrower Subscriptions

Subscription income is exchange revenue and recognised as earned by reference to the actual subscription period. Membership subscription received in relation to the following financial year is carried as a liability (income in advance).

(iv) Grant Income and Project Funding

Grant and project funding income is non-exchange revenue and recognised as revenue when associated obligations have been met.

(v) Conference Fees and Sponsorship

Income from events that Horticulture New Zealand has organised is exchange revenue and recognised once the event has occurred.

(vi) Administration Service Income

Horticulture New Zealand provides administration services to external product groups. This is exchange revenue and invoiced on a monthly basis.

(c) Finance Income and Finance Costs

Interest income is exchange revenue and recognised using the effective interest rate method.

(d) Financial Instruments

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the financial instrument. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Society commits to purchase or sell the asset.

The Society derecognises a financial asset when the rights to receive cash flows from the asset have expired or are waived, or the Society has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- The Society has transferred substantially all the risks and rewards of the asset; or
- The Society has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of NFP PBE IPSAS 41 Financial Instruments. The classifications of the financial assets are determined at initial recognition. On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive revenue and expense (FVOCRE) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows.
- and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

Financial liabilities

The Society's financial liabilities include payables (excluding GST and PAYE), and accrued expenses.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit). They are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit in the Statement of Comprehensive Revenue and Expense. Financial liabilities are derecognised if Society's obligations specified in the contract expire or are discharged or cancelled.

(e) Income Tax

Income Tax is accounted for by the tax payable method.

(f) Goods and Services Tax

The Statement of Revenue and Expense has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(g) Property, Plant and Equipment

The cost of purchased property, plant and equipment is the consideration value given to acquire the assets and to get them to the location and condition necessary for their intended service.

(i) Depreciation

Depreciation is provided on Office equipment and furniture and IT hardware. Depreciation is calculated on either a diminishing value or a straight line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

Office equipment and furniture 8.5% - 80% straight line or diminishing value

(h) Intangible Assets

Intangible assets are initially measured at cost. All of the Society's intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment.

The Society has no intangible assets with indefinite lives. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Amortisation

Amortisation is recognised on a straight line basis over the estimated useful lives of each amortisable intangible asset.

Intangible assets 10.5% - 50% straight line

(i) Leases

Leases in terms of which the Society assumes substantially all the risks and rewards of ownership are classified as finance leases. Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the Societies Statement of Financial Position.

4. Changes in Accounting Policies

Horticulture New Zealand (HortNZ) enters into contracts to deliver services to government departments. It is common for co-funding arrangements to be agreed where HortNZ provides both cash and in-kind contributions to the projects. In the interest of transparency, HortNZ has decided to disclose the in-kind revenue and corresponding in-kind expenditure in these Financial Statements. In the 2020 financial year, HortNZ entered into 'A Lighter Touch' (ALT) contract with Ministry for Primary Industries (MPI). This contract included in-kind activity which was not separately disclosed. This practice has been introduced in the 2024 financial year and reflected within the prior year comparative figures. The in-kind value for the year ended 31 March 2023 was \$628,792 with no impact on the 2023 deficit.

It was also discovered that in the 2023 financial year, contributions from Zespri International Limited to the ALT project had been netted off against expenditure. These contributions have been reflected in revenue and expenditure in the ALT prior year comparative figures. The value of these contributions for the year ended 31 March 2023 was \$681,031 with no impact on the 2023 deficit.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

	\$
Revenue reported in 2023	1,997,438
In-kind revenue	628,792
Contribution from Zespri	681,031
Revised revenue	3,307,261
Expenditure reported 2023	1,863,819
In-kind expenditure	628,792
Expenditure related to Zespri	681,031
Revised expenditure	3,173,642

5. Changes due to the initial application of new, revised and amended PBE Standards

There have been no changes to PBE Standards requiring application in these financial statements.

6. Allocation of Interest

Interest income less the associated provision for taxation is allocated to each product group within Horticulture New Zealand Inc, based on their average accumulated funds over the preceding 12 months.

	2024	2023
7. Cash and Bank		
BNZ Direct Levy Account	183,988	2,839
BNZ Autocall Account	373,048	2,404,602
BNZ Current Account HortNZ	1,271,525	832,153
BNZ Current Account ALT	161,827	309,438
BNZ Savings Account ALT	1,098,650	-
Investment Bank Accounts	-	42,118
Total Cash and Bank	3,089,038	3,591,151

	2024	2023
8. Investments		
Term Investment - BNZ	2,541,015	251,863
Term Investment - ANZ Bank	-	750,000
Term Investment - ASB	-	1,008,240
Term Investment - Kiwibank	1,017,020	1,000,000
Term Investment - Rabobank	1,037,195	1,018,760
Total Investments	4,595,230	4,028,863

Interest rates on investments were 4.60% - 6.00% (2023: 2.50% - 4.60%)

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

	2024	2023
9. Income Tax		
Current Year Earnings	496,852	(87,298)
Tax at 28%	139,119	(24,443)
Adjustments to income tax		
Tax on non assessable income	(4,190,475)	(2,788,567)
Tax on non deductible expenditure	4,129,439	2,849,523
Total Tax Effect of Adjustments	(61,036)	60,956
Tax payable before losses brought forward	78,038	-
Use of losses brought forward	(2,727)	-
Tax credit for non-profit bodies	(280)	-
Tax expense for the period	75,031	-
Provisional tax paid		(16,441)
RWT	(96,491)	(46,289)
Provision for tax	75,031	-
	(21,460)	(62,730)
Current tax asset opening balance	(62,730)	(1,197)
Tax expense for the period	75,031	-
RWT	(96,491)	(46,289)
Tax refunds received	62,730	(15,244)
Tax Refund Due	(21,460)	(62,730)

10. Property, Plant and Equipment

	Office Equipment and Furniture	Leasehold Improvements	Total
Cost of Valuation			
Balance as at 1 April 2023	386,932	252,950	639,882
Additions	116,192	300,351	416,543
Disposals	(136,227)		(136,227)
Balance as at 31 March 2024	366,897	553,301	920,198
Accumulated Depreciation and Impairment			
Balance as at 1 April 2023	255,936	252,950	508,886
Depreciation	55,987	10,451	66,438
Disposals	(92,869)		(92,869)
Balance as at 31 March 2024	219,054	263,401	482,455
Net Book Value			
As at 31 March 2024	147,843	289,900	437,743
As at 31 March 2023	130,996	-	130,996

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

11. Intangible Assets

	Software	Intangible Assets	Total
Cost of Valuation			
Balance as at 1 April 2023	386,313	9,826	396,139
Additions	72,240	0	72,240
Disposals	(57,097)	(9,826)	(66,924)
Balance as at 31 March 2024	401,456	0	401,455
Accumulated Depreciation and Impairment			
Balance as at 1 April 2023	314,689	6,895	321,584
Depreciation	14,527	983	15,510
Disposals	0	(7,879)	(7,879)
Balance as at 31 March 2024	329,216	0	329,215
Net Book Value			
As at 31 March 2024	72,240	0	72,240
As at 31 March 2023	71,625	2,931	74,556

12. Creditors and Accrued Expenditure

	2024	2023
Trade creditors	1,179,881	1,035,784
Accrued expenditure	557,439	316,705
Employee entitlements	200,834	303,563
GST	152,795	68,527
Total Creditors and Accrued Expenditure	2,090,949	1,724,579

13. Income in Advance

This is comprised of amounts received for the annual conference events, NZGAP income in advance, NTWG and projects where funding has been received in advance of the cost associated with it and there is an obligation to return unspent funds.

14. Professional Services

	2024	2023
Payments to auditors - audit fee	42,000	38,505
Total payments made were:	42,000	38,505

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

15. Commitments

The following amounts have been committed by Horticulture New Zealand Inc but not recognised in the financial statements.

	2024	2023
Operating Leases		
Non cancellable operating lease commitments		
Within one year	351,042	276,918
Later than one year and not later than five years	49,180	308,254
Later than five years	-	-
Total non cancellable operating lease commitments	400,222	585,172
Total Operating Leases	400,222	585,172

16. Capital Commitments

Horticulture New Zealand has commitments to six projects:

SFFF A Lighter Touch - \$100,000 per year for the next 3 years.

Sustainable Vegetable System project - Vegetable Research & Innovation Board \$15,000 over the next year.

ACC Grow Home Safe project - \$8,700 in the next year.

Growing Change - \$463,181 cash and \$244,172 in-kind over the next 2 years.

Cultural and Biological Control of Passionvine Hopper project - \$259,750 over the next 2 years.

Building Transformation Through Education: Tangata Whenua Capability Build in the food and fibre sector for \$174,000 from 1 March 2024 to 9 December 2024.

17. Contingent Liabilities and Guarantees

Horticulture New Zealand entered into an agreement to lease the offices in Wellington subject to a successful levy vote. Should the vote have been unsuccessful Horticulture New Zealand were to pay the landlord for the landlords share of the upgrade capped at \$250,000 (2023: Nil). At the time of publication of these financial statements the vote was successful however Ministerial approval for the levy order is still in progress.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

18. Related Parties

Horticulture New Zealand Limited, a wholly owned subsidiary company of Horticulture New Zealand Inc was incorporated on 13 October 2004. Ownership is by way of 100% shareholding of 200 shares in Horticulture New Zealand Limited. These shares have no nominal value. The directors of Horticulture New Zealand Limited are also the President and Vice President of the Board of Horticulture New Zealand Inc.

Management has not consolidated the subsidiary Horticulture New Zealand Limited, recognising the investment in this company as an investment at cost. The subsidiary company is not trading and has no significant assets or liabilities. Management believe any difference in treatment as a consolidation entity or as an investment at cost is not material.

Directors of Horticulture New Zealand Inc, who are growers, pay levies to Horticulture New Zealand Inc through the entities they are associated with.

Director Bernadine Guilleux, and ELT member Rebecca Fisher, of Horticulture New Zealand Inc are both Executive Committee Members of United Fresh New Zealand Incorporated. Horticulture New Zealand paid United Fresh New Zealand Incorporated \$18,000 for memberships, advertising and sponsorship in 2024 (2023: \$8,000). United Fresh New Zealand Incorporated paid Horticulture New Zealand \$8,925 for advertising in 2024 (2023: \$4,295).

Nadine Tunley, the CEO (from June 2021) of Horticulture New Zealand Inc is a Director of The New Zealand Institute of Plant and Food Research Limited. The New Zealand Institute of Plant and Food Research Limited has supplied consultancy services to Horticulture New Zealand Inc for many years.

Horticulture New Zealand Inc paid New Zealand Institute of Plant and Food Research Limited \$681,548 (2023: \$231,893) for consultancy services for the Vegetables Research and Innovation Board, Process Vegetables NZ, SFFF - A Lighter Touch and Horticulture New Zealand Inc.

The President of Horticulture New Zealand Inc, Barry O'Neil, is the Chair of TomatoesNZ Inc and a Director of Horticulture Executive Services Ltd (HESL). Horticulture New Zealand Inc provides administrative services and employees of Horticulture New Zealand Inc are the main administrators of TomatoesNZ Inc. and HESL. TomatoesNZ owed Horticulture New Zealand \$2,219 at year end (2023: \$14,294). HESL owed Horticulture New Zealand \$5,954 at year end (2023: Nil)

Hugh Ritchie is a Director and Chairman of the Foundation for Arable Research (FAR). Horticulture New Zealand contributed \$294,242 towards research projects for FAR and received \$5,000 for co-funding and \$265,097 for the ALT programme.

Kathryn de Bruin is a Director of de Bruin Chartered Accountants who were paid \$16,000 by Horticulture New Zealand for advisory services in relation to the NIWE contract.

Vegetables New Zealand Inc is a related party by virtue of sub-groups held within Horticulture New Zealand Inc.

Transactions Undertaken:

	\$ this year	\$ last year
Accounts receivable outstanding at year end	17,405	71,018
Funding provided to Vegetable Research & Innovation Board	82,053	178,955
Funding provided to Vegetables.co.nz	-	300,000
Funding provided to NZGrower and The Orchardist magazines	27,350	21,000
Funding provided to District Association Grant	2,925	-
Conference and administrative services provided	71,457	63,994
Accounts payable outstanding at year end	5,194	4,842

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

Horticulture New Zealand Inc classifies its key management personnel into one of two classes:

- Members of the governing body
- Senior executive officers responsible for reporting to the governing body.

Members of the governing body are paid an annual fee. Full disclosures are included in the 2024 Horticulture New Zealand Inc Annual Report.

The executive officers are employees of Horticulture New Zealand Inc on normal employment terms.

	2024	2023
Remuneration	1,145,571	1,348,246
Number of executive officers	6	8

19. Events Subsequent to Balance Date

Vegetables New Zealand Incorporated (VNZI) and Horticulture New Zealand have agreed to transfer Vegetables.co.nz from Horticulture New Zealand to VNZI in the 2025 financial year. This will involve the transfer of the reserves balance at the time of transfer being passed from Horticulture New Zealand to VNZI.

20. SFFF - A Lighter Touch Project

Horticulture New Zealand Inc entered into a Sustainable Food and Fibre Futures Partnership Agreement with the Ministry of Primary Industries (MPI) on 1 April 2020. The project is called A Lighter Touch and is a 7 year project running until 31 March 2027. The total budgeted cost for this project in the SFFF Agreement with MPI is \$27,073,129. For this project, Horticulture New Zealand Inc is the lead agency for the Horticulture Industry and MPI.

Other contributors to the project include the Foundation for Arable Research, Vegetables New Zealand Inc, Onions New Zealand Inc, Tomatoes New Zealand Inc, Summerfruit New Zealand Inc, Zespri, Boysenberries NZ, Citrus NZ, NZ Wine Growers Association, NZ Feijoa Growers Association, NZ Passionfruit Growers Association, NZ Persimmon Industry Council, Strawberry Growers NZ Inc and NZ Buttercup Squash Council.

The goal of the project is to focus on agroecological crop protection practices to create a more desirable source of food, using biopesticides (natural materials) and biological control to ensure crop protection.

	2024	2023
Total Income	1,813,413	1,243,106
Funding received from MPI	1,329,930	1,615,071
Funding received from industry contributors	1,606,146	628,792
In-kind funding	27,229	2,195
Interest income	4,776,718	3,489,164
Total income	(122,458)	(181,903)
Less intercompany transactions	4,654,260	3,307,261

MPI funding is billed after costs have been incurred and is calculated including in-kind expenses and therefore there is no income in advance in relation to this part of the funding. Hence the income in advance is only related to the funding received from the industry.

In the 2023 financial year, Horticulture New Zealand Inc and Process Vegetables NZ contributed \$100,000 and \$81,903 respectively to the project. These transactions have been eliminated within the financials and do not show in the industry contributions of the project and expenditure totals of Horticulture New Zealand Inc and Process Vegetables NZ as the SFFF - A Lighter Touch project also sits within Horticulture New Zealand Inc. These contributions have instead been transferred through reserves. In the 2024 financial year, Horticulture New Zealand Inc contributed \$100,000 to the project in cash and \$60,436 of in-kind and Process Vegetables NZ contributed \$22,458 cash, all of which have been eliminated on consolidation.

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

21. Financial Instruments

Classification of financial instruments

The carrying amounts presented in the Statement of Financial Position relate to the following categories of financial assets.

2024	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
Financial Assets			
Cash and cash equivalents	3,089,038		3,089,038
Trade debtors and other receivables	2,632,067		2,632,067
Investments	4,595,230		4,595,230
Total	10,316,335		10,316,335
Financial Liabilities			
Trade creditors and other payables		1,737,320	1,737,320
	-	1,737,320	1,737,320

2023	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial Assets			
Cash and cash equivalents	3,591,151		3,591,151
Trade debtors and other receivables	2,506,412		2,506,412
Investments	4,028,863		4,028,863
Total	10,126,426		10,126,426
Financial Liabilities			
Trade creditors and other payables		1,352,489	1,352,489
	-	1,352,489	1,352,489

Notes to and Forming Part of the Financial Statements

Horticulture New Zealand Incorporated

For the year ended 31 March 2024

22. Statement of Financial Performance by Nature

Below is the Statement of Financial Performance by Nature which shows revenue, expenditure and surplus per the individual product group (Process Vegetables NZ) and internal groups (NZGAP, Vegetable R&I, Vegetables.co.nz. SFFF – A Lighter Touch) included in the financial statements.

The surplus/(deficit) is shown in the Statement of Changes in Net Assets.

	HortNZ	NZGAP	Vegetable R & I	Vegetable .co.nz	Process Vegetables	SFFF A Lighter Touch	Consolidation entries	2024 totals	2023 totals
Revenues									
Levy Revenue									
Levies	5,865,791				780,252			6,646,043	5,575,284
Non-levy Revenue									
Conference fees and sponsorships	757,545							757,545	232,969
Grant income and project funding	3,123,666				45,229	3,143,343	(221,726)	6,090,512	3,616,866
The Orchardist and NZGrower advertising and subscriptions	763,495		-					763,495	750,356
Interest income	219,572	12,755	6,320	12,303	17,669	27,229		295,848	178,824
NZGAP fees	-	1,563,967						1,563,967	1,104,839
Administrative service income	342,172						(150,639)	191,533	789,459
Contribution income	-		131,982					131,982	584,400
In-kind revenue	299,757					1,666,582	(60,436)	1,905,903	628,792
Total Revenues	11,371,998	1,576,722	138,302	12,303	843,150	4,837,154	(432,800)	18,346,828	13,461,789
Expenses									
Levy Funded Expenses									
People costs	3,740,317	500,555	10,500	189,850	103,969	897,339		5,442,530	4,670,169
Governance	371,796	23,753	11,436	1,109	58,987	37,215		504,297	526,142
Leadership, conferences, meetings	1,550,435		235,989	26,183	404,814	81,200	(35,439)	2,263,182	1,178,268
Travel and accommodation	422,576	11,547	4,866	11,103	12,176	53,629		515,898	268,233
Marketing and publications	747,391	7,117		159,700		83,959		998,168	1,162,659
Professional services	2,528,601	934,656	66,998	5,863	53,837	1,648,910	(186,286)	5,052,578	4,025,707
Information technology	267,992	7,050		29,458				304,500	167,313
Occupancy costs	326,467							326,467	313,266
Office and administration	382,425	115,271	12,675	12,860	17,218	64,696	(150,639)	454,506	494,029
Depreciation	76,794	5,153						81,948	114,509
In-kind expenses	299,757					1,666,582	(60,436)	1,905,903	628,792
Total Expenses	10,714,552	1,605,102	342,464	436,126	651,001	4,533,530	(432,800)	17,849,976	13,549,087
Surplus/Deficit for the Year before Tax	657,443	(28,379)	(204,162)	(423,823)	192,149	303,624		496,852	(87,298)
Tax expense	75,031							75,031	0
Surplus/Deficit for the Year after Tax	582,412	(28,379)	(204,162)	(423,823)	192,149	303,624		421,821	(87,298)

Horticulture New Zealand Inc includes the core function of Horticulture New Zealand, as well as the functions of four other divisions which make up the entity. HortNZ transacts with the divisions and, to show an accurate representation of the entity activities, eliminates internal transactions. The eliminations are then adjusted back through reserves to fairly reflect the reserves belonging to each of the divisions. More comprehensive eliminations and reserves adjustments have been introduced in the 2024 financial year and comparatives have been adjusted for consistency. This treatment excludes in-kind transactions mentioned above.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HORTICULTURE NEW ZEALAND INCORPORATED

Opinion

We have audited the financial statements of Horticulture New Zealand Incorporated ("The Society"), which comprise the financial statements and the service performance information. The complete set of financial statements comprise the statement of financial position as at 31 March 2024, the statement of comprehensive revenue and expense, statement of changes in net assets, 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 financial statements presents fairly, in all material respects:

- The financial position of the Society as at 31 March 2024, and (of) its financial performance, and its cash flows for the year then ended; and
- The service performance for the year ended 31 March 2024, in accordance with the entity's service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service*

Performance Information (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 we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

Other Information

The Board are responsible for the other information. The other information not yet obtained at the date of this auditor's report is information contained in the annual report, but does not include the service performance information and the financial statements and our auditor's report thereon.

Our opinion on the service performance information and 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 service performance information and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the service performance information and 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 on the other information obtained prior to the date of this auditor's report, 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.

Board's Responsibilities for the Financial Statements

Those charged with governance are responsible on behalf of the Society for:

- (a) the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards RDR issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards RDR; and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements those charged with governance 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 those charged with governance 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, and the service performance information 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) and NZ AS 1 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state 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.



BDO WELLINGTON AUDIT LIMITED Wellington

New Zealand

5 July 2024



Horticulture[™]
New Zealand
Ahumāra Kai Aotearoa

Postal

PO Box 10232, Wellington 6140,

P: 04 472 3795

E: info@hortnz.co.nz

www.hortnz.co.nz

