

FUNDING STATEMENT

For the period 01 April 2023 – 31 March 2026

Regulation 39 of the Kiwifruit Export Regulations 1999 (**Regulations**) requires that the New Zealand Kiwifruit Board (**KNZ**) must publicly disclose its final Statement of Intent every 3 years, and at the same time “*must publicly disclose a statement of how funding has been achieved under this regulation.*” This statement sets out the funding methods or structures the Board has applied in the last 3-year period and explains how the Board decided the kind and level of charges to impose in the period.

In accordance with the Regulations, the disclosure period for this Statement is 01 April 2023 to 31 March 2026.

The relevant Regulations are attached as Appendix 1.

a) Funding Methods or Structures

In accordance with the Regulations, KNZ is funded on a cost-recovery basis, and KNZ must not operate to make a profit. KNZ sets an annual budget which is based on the expected activities and work-streams that are necessary to perform its functions and obligations under the Regulations.

KNZ is funded on a cost recovery basis by charging:

- Zespri Group Limited (ZGL)
- Collaborative Marketing applicants

ZGL is charged in accordance with the Export Authorisation for the costs incurred by KNZ in administering that authorisation, including monitoring and enforcement. ZGL is also charged under regulation 33(1)(b) and the collaborative marketing regime.

Collaborative marketing costs are identified each year, and collaborative marketing applicants are charged for 90% of the costs, and ZGL is charged for 10% of these costs.

At the end of each financial year, the financial position of KNZ is calculated to arrive at a break-even position (no profit, no loss) and any excess revenue is refunded to ZGL and/or collaborative marketing applicants.

KNZ has during the relevant period publicly disclosed its financial statements within 3 months after the end of the financial year. These statements comply with accepted accounting practice and are audited by BDO, a qualified auditor. Both KNZ’s financial statements and the auditor’s report are publicly disclosed on KNZ’s website. KNZ’s financial performance for the past 3 years is shown in Table 1.

Table 1: Financial Performance for the last 3 financial years ending 31 March 2026

	2025-26 <i>(Provisional)</i>	2024-25	2023-24
REVENUE			
Funding from Zespri Group Limited	788,200	703,770	669,438
Funding from Collaborative Marketing Applicants	336,584	328,474	322,147
Interest, and other investment revenue	0	50	0
TOTAL REVENUE	\$1,124,784	\$ 1,032,295	\$ 991,585
EXPENSES			
Board Expenses	259,135	220,741	217,230
Executive Expenses	297,020	294,648	282,401
Collaborative Marketing Expenses	416,692	391,348	390,325
Other Expenses – Operations & Overheads	151,937	125,558	101,629
TOTAL EXPENSES	\$1,124,784	\$ 1,032,295	\$ 991,585
SURPLUS/(DEFICIT) FOR THE YEAR	0	0	0

b) Kind and level of charges imposed

The regulations state that when deciding the kind and level of charges to impose under the Regulations, KNZ must take the following principles into account as far as is reasonably practicable;

- a) Equity
- b) Efficiency
- c) Justifiability
- d) Transparency

Costs are, to the extent practicable, allocated to the users or beneficiaries of the relevant functions, powers or services.

The Regulations state that ZGL and collaborative marketing applicants are to be charged under the collaborative marketing regime. This charge recognises that there is an industry benefit to all growers from collaborative marketing, and that this should be shared by KNZ, charging both ZGL and collaborative marketing applicants. KNZ assessed that 10% of the collaborative marketing costs was the most appropriate proportion payable by ZGL, based on the four principles above. This proportion is reviewed on an annual basis.

After the collaborative marketing costs have been calculated, KNZ costs that relate to the Export Authorisation and monitoring and enforcement under regulation 33(1)(b) are calculated, ZGL is charged accordingly.

The collaborative marketing fee structure shares 90% of the collaborative marketing costs across all applicants in a manner that meets the four principles of equity, efficiency, justifiability, transparency, and also minimises barriers to entry and promotes innovation for new collaborative marketers.

The collaborative marketing fee structure was reviewed annually after consultation with applicants and stakeholders and was published in the collaborative marketing guidelines on our website.

Summary (any other relevant information)

KNZ has clear policies and procedures to ensure that KNZ can carry out its role as the independent regulator and that all expenditure is reasonable and appropriate and in line with regulatory requirements.

KNZ also has an Audit & Assurance sub-committee, which provides additional oversight of the budget and expenditure. This sub-committee reports to the Board on a regular basis and is Chaired by a grower elected KNZ Director who is an experienced Chartered Accountant.

KNZ is audited each year and our current auditors, BDO, have provided the following comment for this funding statement;

The Entity's financial statements have been subject to independent audit over the past three financial years, with unmodified audit opinions issued in each period.

Over this time, we have consistently noted that the Entity maintains a well-designed and effective system of internal control supporting its financial reporting processes.

No significant deficiencies or material areas for improvement have been identified or reported in our auditors' management letters, reflecting a strong and sustained focus on control discipline and governance.

***Donna Taylor
Audit Partner
BDO Tauranga Ltd
4 February 2026***

The New Zealand Kiwifruit Board

05 March 2026

Appendix 1 - Kiwifruit Export Regulations 1999 (Reprint as at 1 August 2017)

Regulation 39 – Funding

- (1) The Board is to be funded on a cost recovery basis by charging—
 - a) ZGL, in accordance with the export authorisation, for the costs incurred by the Board in administering that authorisation, including monitoring and enforcement under regulation 33(1)(b); and
 - b) ZGL and the applicants under the collaborative marketing regime; and
 - c) ZGL and the applicants for the reasonable costs of the Board’s communications with producers.
- (2) Any costs so charged are recoverable as a debt due to the Board in any court of competent jurisdiction.
- (3) When deciding the kind and level of charges to impose under this regulation, the Board must take the following principles into account, as far as is reasonably practicable:
 - a) equity, in that funding for a particular function, power, or service, or a particular class of function, power, or service, should generally, and to the extent practicable, be sourced from the users or beneficiaries of the relevant functions, powers, or services at a level commensurate with their use or benefit from the function, power, or service:
 - b) efficiency, in that costs should generally be allocated and recovered in order to ensure that maximum benefits are delivered at minimum cost:
 - c) justifiability, in that costs should be collected only to meet the actual and reasonable costs (including indirect costs) of the provision or exercise of the relevant function, power, or service:
 - d) transparency, in that costs should be identified and allocated as closely as practicable in relation to tangible service provision for the recovery period in which the service is provided.
- (4) At the same time that the Board publicly discloses the final statement of intent under regulation 33B(2), the Board must publicly disclose a statement of how funding has been achieved under this regulation. The statement—
 - a) must set out the funding methods or structures that the Board has applied in the last 3-year period; and
 - b) explain how the Board decided the kind and level of charges to impose in that period; and
 - c) may include any other information that the Board considers relevant.
- (5) In subclause (4), last 3-year period means the 3 consecutive financial years immediately before the first financial year to which the final statement of intent relates.
- (6) The first statement under subclause (4) must relate to the period set out in clause 8 of Schedule 1.