

CONFIRMED MINUTES

BOARD DISCUSSION ON SETTING OF LEVY FOR THE 2024/25 FINANCIAL YEAR

Name:	The Management Agency National American Foulbrood Pest Management Plan
Date:	Wednesday, 6 September 2023
Time:	5:30 pm to 6:30 pm (NZST)
Location:	Zoom, Zoom
Board Members:	Mark Dingle (Chair), Dennis Crowley, Gabriel Torres, Jane Rollin, Jason Ward, Trent Proffit
Attendees:	Niha Long
Apologies:	Val Graham

1. Opening Meeting

1.1 Welcome and opening

The Chair welcomed all Board members, introduced Niha Long as the new appointed General Manager and made a point of order to note that Russell Marsh had been invited to this meeting as a guest, given Russel's previous experience as a Management Agency Board member and for his financial skills.

2. Major Decisions and Discussions

2.1 Discussion on key statistics (colony and beekeeper numbers)

The Chair set the stage by outlining:

- that while the previous Board meeting in August had discussed the 24/25 budget, nothing had been agreed or discussed regarding changes to colony levies;
- that due to the extensive consultation and publication process involved with setting of levies, having these discussions in October would be too late; and
- that the key things to discuss were using forecast beekeeper and colony numbers to determine what, if any increase is required to the colony levy for 2024/25.

General discussion was had regarding forecast 2024/25 budget and colony numbers, noting:

- Clifton's proposed budget prep for 24/25 assumed 502,709 colonies and 8,192 beekeepers, generating a levy income of \$1.34M, which is below the \$1.42M generated in the current FY.
- Based on that assumption, holding the colony levy at \$1.70 would lead to a forecast loss of approx. \$204k vs \$186k loss for the current FY.
- Spreadsheets provided by Marco suggest that as of 05 September 2023, there were 9,154 beekeepers and 594,697 colonies.

The Chair opened up the floor for discussion on whether the Board felt that the industry was at the bottom in relation to colony numbers or whether the colony numbers are likely to drop below

the 594K mark between now and when the levy is due. Comments from Board members covered the following points:

- Whilst beekeepers were leaving the industry, not all were updating Hivehub and the numbers we are seeing may not be completely accurate (may become clearer over the next 12 months).
- There is going to be some downsizing, however, things are trucking along OK – especially in the South Island which is only a small percentage of total hive numbers compared to the North Island.
- A conservative approach was needed; it is yet unknown what the true loss from Cyclone Gabrielle is and whether that has flowed through to Hivehub in an accurate manner.

All in agreement that 502K colonies was a reasonable number to land on for forecasting.

2.2 Board decision on proposed levy rates for 2024/25

V@A@a outlined that assuming the numbers of beekeepers and colonies are in the right ballpark, a colony levy increase of even 20c to \$1.90 will still lead to a \$204K loss. It is unknown what 2025/26 is likely to be like; as such it is prudent to take that \$204K loss and retain a degree of reserve for a rainy day.

V@A@a asked the rest of the Board if colony levy should be increased or kept the same (\$1.70). All Board members were in support of an increase, due to the following points:

- There isn't a better time to raise it than now and is a small step increase, given inflationary pressures, risk, and fiscal responsibility.
- The risk of not doing so is higher where the diminishing budget impedes service delivery at a time when the risk of AFB spread is highest.
- The levy order is capped at \$2.55/colony and the audience (beekeepers) should be advised that the budget has been reviewed, trimmed, and still under the \$2.55 mark.

Board members were in agreement that while some negative reactions are expected, the industry will eventually understand inflationary pressure has to be adjusted for, to enable the delivery of services to the same standard. It was also noted that the Management Agency will be forecasting a loss, despite cost cutting and an increase in levy – and that this ought to be communicated as part of the consultation with the sector.



Resolutions unanimously taken by the Board

V@A@a opened it to the floor around how much the colony levy should increase by. The Board discussed:

- whether a 20c increase was quite enough, however, keeping it under the \$2 acknowledges the difficult financial circumstances some beekeepers are in.
- an increase to \$1.95 was proposed, which the Board unanimously agreed with.
- It was felt that there was enough notice for the sector to prepare for this increase.

1. The Management Agency Board agreed to increase the colony levy by 25 cents, from \$1.70 to \$1.95 for the 2024/25 FY.
2. The per beekeeper levy of \$40 will remain unchanged.

Decision Date: 6 Sept 2023

Outcome: Approved



Commence the process on drafting consultation papers

Draft levy consultation documents along with proposed budget.

Due Date: 22 Sept 2023

Owner: Niha Long

4. Close Meeting

4.1 Close the meeting

Next meeting: Discussion on results from the 2024/25 levy consultation - 30 Oct 2023, 7:00 pm

Signature: _____

Date: _____

