

## DEER INDUSTRY NEW ZEALAND (EST 2004) DINZ (SR 2004/323)

Deer Industry New Zealand is a statutory marketing authority established under its own Parliamentary Regulations in 2004.

See <http://www.legislation.govt.nz/regulation/public/2004/0323/latest/whole.html#DLM289680> for the complete regulation. A summary of key points follows.

Deer Industry New Zealand is the same body as the Game Industry Board established by the Game Industry Board Regulations 1985.

### Functions of DINZ:

The functions of DINZ are;

- a) to promote and assist the development of the deer industry in New Zealand;
- b) to assist in the organisation and development of the marketing of products derived from deer:
- c) to assist in the development of existing and new markets for products derived from deer:
- d) to maintain statistics and disseminate relevant information to members of the deer industry;
- e) to undertake, and arrange to be undertaken, research into deer and into processing methods for slaughtered deer:
- f) to monitor, and from time to time report on, the economics and efficiency of all components of the deer industry:
- g) to act in combination or association with any person or body of persons whether in New Zealand or elsewhere (whether by acquiring shares or other interests in a company or otherwise) engaged, concerned, or interested in the processing, marketing, or distribution of deer or products derived from deer:
- h) to report from time to time to the Minister for Primary Industries and to the Minister of Foreign Affairs and Trade—
  - a. on trends and prospects in overseas markets in respect of products derived from deer; and
  - b. on movements of costs and prices or other factors likely to affect the economic stability of the deer industry; and
  - c. on any other matters that DINZ considers appropriate, or that the Minister or the Minister of Foreign Affairs and Trade may request:
- i) to account to levy payers on DINZ's activities and its use of levy money and other resources:
- j) to perform any other functions that may be conferred on it by or under these regulations or any other enactment.

(2) DINZ must—

- a) apply levies paid to it under these regulations in performing its functions; and
- b) pending expenditure under paragraph (a), invest the levies.

(3) However, levies received under [regulation 24\(a\)\(i\)](#) must be applied to the control and eradication of bovine tuberculosis or for other animal health purposes.

**Acquisition of deer:** DINZ must not acquire deer or products derived from deer except for promotional, experimental, or developmental purposes.

### Membership of DINZ

(1) DINZ comprises 8 directors elected or appointed as follows:

(a) 4 directors are to be appointed by the New Zealand Deer Farmers' Association Incorporated in accordance with its rules. (At present the Formal Electoral College interview and selection process via the NZDFA's Selection and Appointments Panel)

b) 3 directors are to be elected by venison marketers and venison processors in accordance with Schedule 1:

c) 1 director is to be elected by deer products marketers, deer products processors, velvet marketers, velvet pool operators, and velvet processors in accordance with Schedule 1.

(2) A director holds office for a term expiring at the close of 30 June in the third year after the year in which the director was elected or appointed.

(3) However, a director may continue in office after the expiry specified in sub-clause (2) or under this sub-clause if, before the expiry, the Minister—

a) authorises the director to continue in office; and

(b) specifies the length of the director's extended term.

(4) If a director continues in office under sub-clause (3), the term of office of the person elected or appointed to replace the director is reduced by a period equivalent to the director's extended term.

(5) Sub-clauses (2) to (4) apply subject to the director sooner dying, resigning, or being removed from office.

(6) A director whose term of office has expired may be reappointed or re-elected.

(7) The powers of DINZ are not affected by a vacancy in its membership.

### **Chairperson and Deputy Chairperson**

(1) In each calendar year, DINZ elects from its directors a Chairperson and a Deputy Chairperson for the ensuing 12 months.

(2) A person elected as Chairperson or Deputy Chairperson holds office until a successor comes into office, and is eligible for re-election.

(3) The Chairperson must preside at all meetings of DINZ at which he or she is present. In the absence of the Chairperson from a meeting, the Deputy Chairperson must preside, and if both are absent one of the directors present must be appointed by the directors attending to preside at the meeting. At a meeting of DINZ, the Chairperson or any other person presiding has a deliberative vote, but is not entitled to a casting vote.

**General: see also [www.deernz.org](http://www.deernz.org) and [deernz.org/publications](http://deernz.org/publications) for Annual Reports and archived Deer Industry News.**

**Mission:** To promote and assist the development of the New Zealand Deer Industry as a strong, stable, profitable industry for all participants.

**Vision:** For Venison. Inspire the New Zealand Deer Industry to profitably grow and market the world's best red meat.

**Vision For Velvet:** New Zealand deer velvet is recognised, valued and sold as the best in its class in Asian markets.

The DINZ Board is a Consensus Board and operates according to its regulations, non-sectorial in nature and in accordance with the Deer Industry strategic intents related to venison, velvet, and industry direction.

A separate 5 yearly strategic intent for venison and velvet was established for the 5 years 2009-2014 have recently been reviewed and has been combined into a single strategic intent

This incorporates the extension of the earlier strategy documents: Venison Industry Strategic Intent 2009–2014 which had:

**Strategic direction for venison positioning defined as:**

- Achieve demand-led premium positioning of New Zealand venison underpinned by a differentiation strategy.
- Fully support long-term commitment to product and market development.
- Encourage farmers, processors and customers towards long-term supply commitments.
- Improve on-farm productivity.
- Ensure the industry has freedom to operate.

And velvet antler as:

**Velvet Industry Strategic Intent – 2009 – 2014**

- Freedom to Operate
- Improve Market Access
- Protect and Grow Core Markets
- Provide Efficacy Based Research
- Strengthen the NZ Velvet Brand

**The new 2015-2020 combined strategy emphasises 4 key areas: The Path to 2020**

**DINZ 2015-2020 strategy:**

- Premium positioning of NZ deer products
- Market development and diversification
- Sustainable on-farm value creation
- Cohesive and respected industry

**Funding:**

DINZ is funded by a compulsory levy on venison per kg, collected at the point of slaughter and processing (Currently \$0.17 /kg).

- Since 2004 the levy has been split as a 50:50 levy. Currently it sits at 8.5cents a kg each paid by the producer and the processing company.
- For qualifying velvet antler the current levy of \$2.75/ kg is deducted from the producer velvet returns at the first point of sale

**Further Key Regulations:** Committees and delegations

(1) DINZ may—

- a) appoint advisory or technical committees of 1 or more persons as it thinks fit to advise DINZ on any matters relating to its functions and powers that are referred to them by DINZ; and

b) delegate to an advisory or technical committee any of its functions and powers except—

(i) those relating to the fixing of levies; and

(ii) the power to delegate under this regulation.

(2) An advisory or technical committee may, in addition, furnish to DINZ reports on any matter concerning the deer industry in respect of which the committee, or a member or members of it, may have special knowledge or experience.

(3) A person may be appointed to be a member of a committee appointed under this regulation whether or not he or she is a director of DINZ, but if he or she is not a director and is appointed chairperson of the committee, DINZ must either confirm or reject that appointment. Acquisition of deer. DINZ must not acquire deer or products derived from deer except for promotional, experimental, or developmental purposes.

### **Financial year.**

For the purposes of section 11(2) of the Act, the financial year of DINZ ends with 30 September in each year.

### **Deer industry levy:**

A levy is imposed on—

(a) venison derived from deer that are slaughtered at a deer slaughterhouse:

(b) velvet derived from deer that is—

a. sold by an operator of a velvet pool on behalf of a deer farmer; or

b. purchased by a person acting for an operator of a velvet packing house; or

c. received at a velvet packing house; or

d. if subparagraphs (i) to (iii) do not apply, sold for export or for processing or consumption in New Zealand.

Before 1 October in any year DINZ may fix, by notice in the Gazette, the rates of levy (including the basis of their calculation) that are to be paid in the next succeeding financial year.

However, except with the written consent of the Minister, DINZ must not increase the rate of levy by more than 20% of the rate last fixed.

### **Operational Functions of Deer Industry New Zealand**

Deer Industry New Zealand's head office is in [Wellington](#). It undertakes the following main functions:

- [Promotion](#)
- [Quality Assurance](#)
- [Research & Development](#)
- [Market Access and Industry Representation](#)

Deer Industry New Zealand undertakes a range of programmes on behalf of all industry stakeholders (not any one sector) and is accountable to the entire industry. It does not buy or sell any deer

products, but works closely with those that do. Any trade enquiries are provided directly to relevant processors or exporters.

### **Promotion**

Deer Industry New Zealand promotes New Zealand venison, velvet and co-products in both New Zealand and a range of export markets. The positioning depends on the market. For example in venison's case, qualifying venison is positioned as Cervena in North America, while venison is positioned as Neuseeland Hirschfleisch in Germany, and generally as farm-raised venison in New Zealand.

### **Quality Assurance**

Deer Industry New Zealand co-ordinates and administers industry quality assurance programmes:

- On Farm
- Processors
- Stock and Station Agents
- Transport operators.

### **Research & Development**

Deer Industry New Zealand carries out research (via research providers) on behalf of the deer industry. For example:

- Research to support international trade negotiations to open and/or maintain market access for deer products
- Production research to improve farming systems and on-farm management practices
- Product composition and efficacy research supporting the use of deer velvet as a health product
- Quality and food safety standards research programmes for venison and velvet

### **Market Access and Industry Representation**

Deer Industry New Zealand acts on behalf of the deer industry to assist New Zealand government agencies to improve market access and selling conditions for deer products.

For further web-based information related to these activity fields please see.

<http://deernz.org/dinz-activity#.WFHsELJ96po>

### **COMMITMENTS REQUIRED OF A DEER INDUSTRY NEW ZEALAND MEMBER**

Typically the DINZ board meets formally 6 times per year at roughly 2 monthly intervals.

Generally this is in Wellington at the Deer Industry New Zealand offices, but in recent times a concerted effort has been made to hold Board meetings in the key regions (by farmer number) and on the evening before meet and hold discussions with levy payers and the Branch chairs and executive of the NZ Deer Farmers' Association.

DINZ Board Meetings are usually but not restricted to:

- Early July (first meeting of the year, includes election of DINZ chair and appointment of audit and risk committee (Wellington))
- September (Wellington or regional)
- Later November (potentially Regional)
- February (Wellington)
- Early April
- May in association with the Annual Deer Industry Conference (Regional and held over 2.5 days)
- In addition the Board is invited to join the NZDFA's annual Branch Chairman's conference (Mid October) which also includes representatives of the Next Generation programme, and the New Faces Leadership development initiative.
- For the 4 Producer appointed members, 2 meetings per year within the NZDFA constitution are scheduled, up to half a day typically held in association with conference and the October Branch chairs meeting.
- Invitations to join teleconference with the Branch Chairs, Executive Committee or SAP are often issued but are discretionary for Board Members.

## **GENERAL**

Directors are expected to have some rural industry empathy, and to some extent have or research a working knowledge of the deer industry and its strategic intent.

A strong governance experience as an experienced director is an advantage.

Good communication skills are a strong part of the role related to the relatively frequent interaction with the deer farmers and processing sectors of the industry at its regular industry forums, conferences and occasional fielddays or other activities.

The ability to work together within the unique Board make up of representation of producer and processor exporter sector representatives is important.

While it is not mandated, traditionally the DINZ chairman has been elected from amongst the 4 producer appointed Board representatives, so potential strong chair and leadership skills are an asset.

Current remuneration is \$23000 per annum for board Representatives and \$40000 pa for the chair.

Additional meetings or activities as DINZ director require approval in advance and are covered at a per diem fee subject to discussion with the CEO. Travel accommodation and expenses are arranged for the Board through the DINZ office and any personal expenses incurred by a board member while on DINZ duties and reimbursed by way of claim.

## **Producer Appointed Board Members: Information re the NZDFA's Selection and Appointments Panel NZDFA SAP.**

### **THE NZDFA SELECTION AND APPOINTMENTS PANEL.**

**The SAP is an 8 person Elected Body where successful nominees spend a two year term and where for members annually retires by rotation and may seek re-election. All known deer farmers',**

**including current active DFA full members and DINZ farmer levy payers (who are not voluntary members of the NZDFA) are eligible to vote for both the Executive Committee and the Selection and Appointments Panel.**

The 4 members of NZDFA's Executive Committee provide one half of the SAP (as part of the constitutional responsibility of being elected to the Executive Committee)

The other 4 members are typically senior industry and DFA back grounded local or national leaders elected as non-Executive Committee members on the same basis. The positions are represented as 2 Members at Large for both Executive and non-Executive Committee members of the SAP, and 1 each for the North and South island respectively.

SAP members also have a 2 year renewable term and are nominated and voted for in the same manner as the Executive Committee members

The SAP has two primary roles;

A) To interview, select and appoint the 4 producer appointed representatives to the DINZ Board\*

\* NOTE: DFA appointed DINZ Board members are appointed for a three year renewable term, and the positions retire by rotation. Every third year 2 members retire by rotation All are eligible for re-nomination and there is no maximum term defined...

B) To formally meet with the Producer Appointed DINZ Board members at least once per year outside the selection process to discuss any emerging industry issues, and to talk about Board expectations, performance, succession etc.

- This meeting generally coincides with the annual formal Branch chairs meeting with the DINZ Executive and Board in late October
  - Should industry issues continue to concern DFA and its members, or major events arise that impact on producers the constitution allows for the SAP to request further meetings with the Producer appointed Board members.
- The terms of reference and selection process are set out in an annually reviewable operating code of practice developed to meet the constitutional needs of Board appointments. Much of this relates to any potential relationships and areas potentially deemed conflict of interest in board appointments
- It is an accepted custom that that Executive Committee Chairman is not the SAP chairman, and the SAP chair is generally appointed outside the Executive Committee.
  - The Non EC SAP members are not remunerated for time, but all associated travel and accommodation expenses associated with the Appointments process and SAP roles are covered within the NZDFA annual budget.
  - The non EC members also are expected to attend the AGM and conference. The NZDFA pays for registration and associated travel and accommodation to attend conference. They are there to support the Board candidates who formally address the AGM, and to receive deer farmers views on industry issues , potential candidates and operations and functions of the DFA

### **SAP member Commitments**

A) June meeting. 2 days. Wellington. This follows the EC initial half day meeting. The second part of that day involves the joining of SAP and EC members (ie full SAP) and may include pre

interview deliberations, upskilling opportunities and discussion on industry issues post conference.

- B) Day 2 is when the Executive Committee and the other 4 senior industry DFA appointments becomes the Selection and Appointments Panel to interview and appoint 1 (or 2) of 4 producer appointed DINZ Board members. This is typically a full day meeting.
- C) Interviews and selection process are prescribed in a formal SAP Operating Code of Practice that is annually reviewed. This is a public document available to candidates and DFA.
- D) The SAP policy is also to seek continual progression in understanding roles of the DINZ Board, governance and interview process, and personal development. In recent years an association with the Wellington Division of the Institute of Directors has been established to aid the SAP to maximise its skills and interview and selection process. This may require members to attend an additional day in their roles as SAP elected representatives. Funding is made through the DINZ Producer Management budget (leadership development) and the NZDFA.

## **Appendix 1: Constitutional References: Formal roles and function of SAP and Executive Committee**

### **Clause 22. EXECUTIVE COMMITTEE**

**22.1 Procedure:** The Executive Committee shall meet together to dispatch the business of the Association at such times as they think fit and shall, subject to Rule 22.2, regulate their meetings as they see fit. Questions arising at any Executive Committee meeting shall be determined by majority vote. Each Executive Committee member shall have one vote and in the case of equality of votes, the Chairman shall have a casting vote.

**22.2 Quorum:** A quorum for the transaction of the business of the Executive Committee shall be three. If the Chairman is absent the Executive Committee shall elect one of those present to chair the Meeting.

**22.3 Conflicts of Interest:** Any Executive Committee member who has an interest may participate in all actions and discussions of the Executive Committee, except that where the interest could prove to be a conflict of interest on any matter, the member shall declare that interest and absent himself or herself from any voting by the Executive Committee relating to that matter.

### **DINZ and SAP Clause 37. DEER INDUSTRY NEW ZEALAND**

**37.1 Representation:** The Association shall be represented on DINZ by such selected representatives as are required to fill the number of seats or vacancies from time to time as contained in the DINZ Regulations 2004 provided that no member of DINZ may at the same time be a member of the Executive Committee (nor be a DINZ staff member)

**37.2 Selection Panel:** Selection of the Association's DINZ representatives shall be made by the

Selection and Appointment Panel. The Selection and Appointment Panel shall have eight members and shall consist of:

- four members of the Executive Committee; and
- one non-Executive Committee member from each of the North and South Islands.
- two non-Executive committee members at large.

The non-Executive Committee members must be Full Members or Levy Paying Members or Elected members. No member of the Selection and Appointment Panel shall be permitted to be a member of the Deer Industry Association, or hold more than a 20% interest in any organisation which is a member of the Deer Industry Association or be a candidate for or a sitting member of DINZ.



**37.3 Nomination of Selection Panel Members:** The Returning Officer shall call for written nominations for the non-Executive Committee members of the Selection and Appointment Panel at least 21 days before the date on which nominations close. Nominations for the Selection and Appointment Panel shall be:

a) in writing and be nominated and seconded by two other Full Members or, Elected Members or Levy Paying members; and

(b) signed by the nominee.

**37.4 Election of Selection Panel Members:** The non-Executive Committee member nominees shall be voted for nationally by Full Members, Elected Members and Levy Paying Members at the same time and in the same manner as they vote for appointment of members to the Executive Committee.

**37.5 Term of Office:** At the Annual General Meeting in each year 2 of the non-Executive Committee members of the Selection and Appointment Panel, for the time being, one elected to represent an Island position and one elected as a member at large shall retire from office. The Selection and Appointment Panel members to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Selection and Appointment Panel members on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Selection and Appointment Panel member shall be eligible for re-election.

**37.6 Procedure:** The Selection and Appointment Panel shall meet together to despatch the business of the Panel at such times as they think fit and shall, subject to Rule 37.7, regulate their meetings as they see fit. Questions arising at any Selection and Appointment Panel meeting shall be determined by a majority vote. Each Panel member shall have one vote and in the case of equality of votes, the Chairman of the Panel shall have a casting vote.