

Podcast transcript: Leanne (Chief Executive) and Lisa (Communications Manager), KVH Discussion related to KVH's 2026 proposal



Lisa

Kia ora and welcome everyone.

Leanne

Today we are talking about KVH's proposed biosecurity levy increase and why it matters for our growers ahead of our AGM which is coming up in August.

Lisa

Joining me I've got our KVH Chief Executive Leanne Stewart. Thanks for being here Leanne.

Leanne

Thanks for having me.

Lisa

Now we know that cost is front of mind for growers, so today is really about explaining what's proposed, why now, and what it means in practical terms. So, let's start with the obvious question. Why is KVH proposing a levy increase now?

Leanne

It comes down to maintaining our ability to protect the industry from biosecurity threats.

KVH's role is to ensure that we can respond quickly and effectively when something happens.

So that means having the right people, systems and plans in place before an incursion occurs.

Our levy rates have remained stable for several seasons now, but the costs of readiness and response have increased. In the last two years, KVH has contributed to five responses on behalf of the industry, including four successfully closed fruit fly responses and the ongoing Yellow-legged hornet response.

With the continued hornet response, our cost shares for all of these responses since the beginning of 2025 has been over \$1.8 million.

This proposal is about making sure we have sufficient reserves and capability moving forward.

Lisa

It isn't about doing more, it's about maintaining the level of protection that kiwifruit growers have come to know and expect.

Leanne

Yes, exactly.

The KVH board has the ability to increase the biosecurity levy if we have a significant response, but we'd prefer not to have to use that lever to gather funds from growers who may be experiencing hardship from an ongoing response impeding the industry.

It makes more sense to rebuild our levies in peace time.

Lisa

And what does that mean day-to-day for growers?

Leanne

Well, a lot of our work happens behind the scenes. Things like surveillance systems to detect threats early, response plans and people and systems ready to act quickly.

If something is detected, that preparation means we can move fast and reduce impacts to growers.

Lisa

And then I guess on the flip side of that, what happens if the levy doesn't increase?

Leanne

Standing still financially could actually mean going backwards operationally.

Without sufficient reserves, KVH could have fewer options during a response for example, less flexibility, reduced readiness in some areas, and potentially more reliance on gathering funds during responses as mentioned - and that's not a conversation we want to be having in the middle of response at all.

Lisa

No, it definitely isn't. I guess preparedness isn't something that you can build overnight either, is it?

Leanne

That's right. Once capability is lost, it's difficult to reboard quickly under pressure.

We've been through multiple responses in recent times, and this is about making sure we continue to be ready when it matters most.

Preparedness is always cheaper and more effective than response. The ambulance at the top of the cliff, so to speak.

Lisa

And on that note, can we talk a little bit about what it means in dollars and cents? What's actually being proposed?

Leanne

The proposed change is an increase by 0.2 cents per tray, bringing the levy to 1 cent per tray from the beginning of the 27-28 financial year onwards. Individually it's a small increase, but collectively it helps maintain strong biosecurity systems and response capability.

When you compare the potential response losses or losses from a major biosecurity event, it's relatively small in protecting orchards and livelihoods. An example here is if we had an outbreak of Queensland fruit fly in Te Puke during harvest season, which coincides with the fruit fly high-risk season, then we'd potentially have \$7 million (*reader note: the audio here should state \$700 million*) worth of impact due to market access restrictions.

We want to avoid these sorts of situations by focusing on readiness to prepare for responses, not reacting to surprise incursions.

Lisa

And what about the reserves? Does that money literally sit there and build?

Leanne

That's a good and fair question.

KVH operates under a board approved reserves policy. Those funds are there specifically to undertake our biosecurity readiness activities and pay for response obligations, not to build surplus unnecessarily.

Currently our annual response cost liability is \$6.2 million. We set our biosecurity levy reserve cap for half of this, as well as being able to maintain some funding for our operational readiness activities.

A good way to think about it is it's the industry's biosecurity insurance policy for a rainy day. As I've mentioned, we've had several responses recently which have used our reserves.

Our reserves are reviewed annually by the KVH Board, and then we report on them transparently to the AGM and in our Annual Report.

Lisa

So that's pretty thorough, that's pretty robust, but we're not in it all on our own, are we? Government still has a role too, of course.

Leanne

Yes, KVH is part of the Government Industry Agreement for Biosecurity, or GIA as you would have heard us call it, which means response costs are shared with the government and other sectors.

Strong industry readiness across sectors, alongside government, helps ensure that we can act quickly and kiwifruit growers aren't carrying any burden alone.

Lisa

Got it. That all makes sense. What do we want growers to do now?

Leanne

Well, we want growers to engage with us.

This is a proposal. We want growers to understand it, ask questions and share feedback before the AGM. The feedback will help shape the final levy proposal that goes to the AGM for growers to then vote on.

Lisa

Right, excellent. Thank you, Leanne.

For listeners, you can find more information on the KVH website. Just head to the levy page from the homepage, and if you've got any questions, please do get in touch.

We've got several resources there and several ways of getting in touch with us if you need to.

Thank you for listening and thanks again, Leanne.

Leanne

Thanks, Lisa. Ka kite.