



2022  
2023

## ANNUAL REPORT



**Deer Industry**  
New Zealand

# THRIVING WITH PASSION

*Deer Industry NZ purpose*



Cover: DINZ Executive Chef, Graham Brown at the Ends of the Earth event at Criffel Station.  
Inside cover photo: Taken by Grant Charteris





# FROM THE CHAIR & CEO



*Mandy Bell*

**MANDY BELL**

Chair



*Innes Moffat*

**INNES MOFFAT**

Chief Executive Officer

Despite the pressures that have been faced, product prices have been holding well, providing a sound platform for the deer industry's future and a much-needed boost in confidence. This didn't come about by accident. It resulted from a clear understanding of the challenges faced and a willingness to act decisively to seize new opportunities while also managing risk.

It is against this background that DINZ has taken the opportunity to reflect on these recent experiences and, in response, review and refine our own strategy and focus.

Immediate pressures such as supply chain issues eased during the year, but other changes affecting the deer industry continued.

That is not likely to let up any time soon, and our challenge is to understand, adapt and identify the opportunities that emerge in such a dynamic environment. To reference our Deer Industry Strategy 2022–2027, we want to embrace the future and help deer farming “Thrive with Passion”.

But we must also acknowledge that it has been tough. Market conditions, especially for venison, made it hard to be profitable for a period, while the hind herd has declined to levels not seen since the 1990s. Weather events, particularly in eastern areas, have severely compromised some farms. At the same time, more good pastoral land has been lost to other land uses while government environmental regulations and policies have ratcheted up

compliance pressure on an already stressed sector. And rising input costs have eroded already-slim margins.

Yet the industry persists and indeed is emerging as a strong performer within the primary sector. There are numerous examples throughout the motu where an enduring passion for the industry and an enthusiastic new generation are fuelling confidence and investment in deer.

Our challenge as an industry-good organisation is to take some control over how we manage change.

It would be a mistake to focus only on the pressures from government regulation or from buyers as shaping the way we operate. The greatest pressure for change comes from society as a whole. This encapsulates consumers here and abroad, special interest groups, voters and societal expectations in general.

Like other primary producers, we are under increasing scrutiny and are expected to reflect the values of our neighbours and our customers in the way we look after our animals and environment. And we are targeting the most affluent and discerning consumers of them all.

The Deer Industry Strategy 2022–2027 identifies five key areas that affect the profitable farming of deer and this report will detail the progress that has been made through the work streams flowing from these.

There is more on these in the body of this report, but briefly these are:

<b>Market access and development</b>	DINZ works with trade representatives pushing to open market access for deer products. We are collaborating with both government and marketing companies to secure and grow new markets in countries such as China and the United States, decreasing our over-reliance on traditional markets.
<b>Advocacy and government relations</b>	The needs and practicalities of deer farming aren't well understood by policy and lawmakers. Our job is to make sure these considerations are well represented in areas such as emissions reduction, water, biodiversity, food safety and biosecurity.
<b>Industry practice and capability</b>	Our quality systems help underpin society's confidence in the industry's environmental and welfare standards. DINZ also helps unlock potential by making the right information and productivity tools available to both deer farmers and the professionals they work with. Facilitating new pathways to bring new entrants into the industry through building on existing initiatives such as the Next Generation conference is another important strand of this work.
<b>Research and insights</b>	We are working closely with AgResearch and the farming community to help ensure research investments are properly informed, aligned to strategy and targeted in areas such as emissions, productivity, water quality, genetics, and nutritional or health claims.
<b>NZDFA support and partnering</b>	Helping support farmer networks through the NZDFA ensures a good two-way flow of information and healthy engagement throughout the industry.

These are some of the areas of work flowing from these core strategic areas, where actions support future opportunities for the industry:

- farming the right deer in the right place, with validated environmental management
- using good breeding, nutrition and animal health management to develop the right hinds for the job, be it for venison or velvet production
- ensuring marketing companies are furnished with the right information to convey to their customers and meet their expectations for how their product was raised
- helping marketing companies develop stronger connections between farmer and customer and support their brand 'story'
- focusing on higher-returning markets
- strategic investment of levy funds alongside contributions from marketing companies and government into new market development, extracting greater value from the whole animal, 'from nose to tail'.

Achieving good outcomes around these five key areas will require stronger prices and returns, pride, increased confidence and a sense of security that gains won't be eroded. It also requires stronger connection with consumers who, like us, value safe, healthy, ethically grown and high-quality products.

DINZ is working hard to influence actions right across the value chain to reach industry goals through good leadership and guiding good investment decisions.

As part of this we have also looked hard at ourselves. How fit for purpose is the organisation in such a volatile environment where we are facing reduced revenue, changing farmer requirements and a growing focus on new market development?

In response, we implemented a change process for your industry good organisation. DINZ is restructuring to deliver fewer things better, around the core functions that are detailed in our Strategy document.

We are working to reduce our overheads, and that has included

a move to a smaller office, sharing space with Beef + Lamb NZ.

Looking at the way that we work with deer farmers, and with our market partners, we have asked for focus on those key areas above that DINZ can influence and we have looked at the capabilities needed to deliver on these.

The mix of skills the industry needs from DINZ has therefore been under scrutiny and we have made changes within the team to better align our people with what is needed from us. As a result of the end of P2P last year, and other changes, we have farewelled several staff and also made new appointments. We thank those who have left for their efforts during their time here and wish them well. We also welcome our new appointees; they can be confident they'll soon be well settled into the unique culture of our industry as they get to know you.

As we reorient to a changed team and new ways of working, we look forward to helping lead the industry into a more confident and prosperous future. 🦌

# MARKET ACCESS AND DEVELOPMENT

## MARKET DIVERSIFICATION

Much of the industry's exports have traditionally been made up of under-differentiated products that are sold through narrow channels into specialist and seasonal markets. The COVID19 pandemic exposed the venison market's heavy reliance on the European food service sector. The industry is working collaboratively to diversify its export markets.

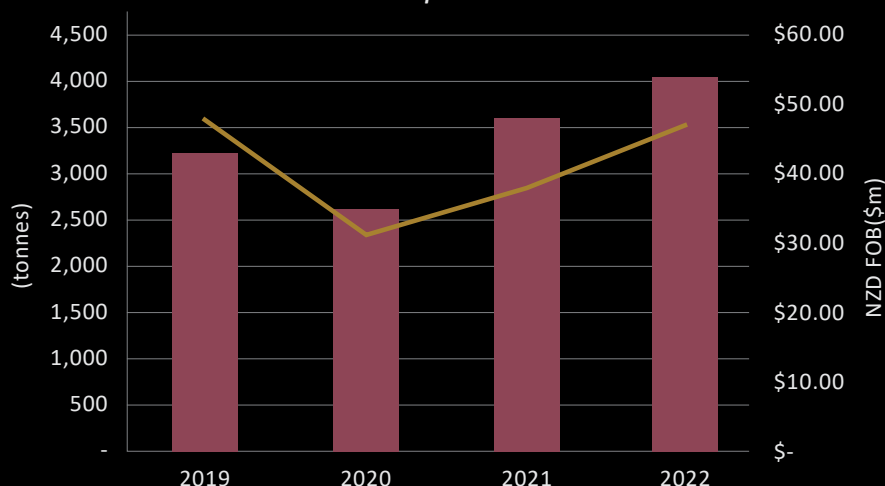
DINZ worked with the five main venison exporters to increase venison sales through the American retail market and reduce the dependency on the highly seasonal European market. On behalf of the five companies, DINZ submitted a Sustainable Food and Fibre Futures application for co-funding with MPI on its proposed North American Retail Accelerator programme.

Worth over \$73 million at the end of June 2023, the USA is now vying with Continental Europe as New Zealand venison's primary market.

Venison companies share a vision of diversified niche markets. Companies are looking to have balance to export markets that allow less seasonal fluctuation while supplying venison products that align with niche markets' requirements. Companies are seeking a balance between European customers, who remain essential for the New Zealand deer industry, with growing demand in North America, China and other markets. Examples of successful new market development include year round retail sales of branded New Zealand venison cuts in Sweden; Halal certified venison produced for Middle East markets and new retail items in the USA.

The industry is aiming for a three-way split between these markets, and by end 2023 had taken significant steps to achieve this. DINZ's role is in supporting these commercial opportunities and co-ordinating combined company activity when it is in multiple companies' interests to do so.

*NZ Venison Exports to the USA*



*NZ venison exports to the US lifted 25 percent between 2019-2022.*

■ Tonnes ■ NZD

*Source: Statistics New Zealand*

PROJECT I — NRA — CHICAGO

US restaurateurs were given a taste of New Zealand Venison in May at their annual National Restaurant Association (NRA) show in Chicago.

All five of the New Zealand venison marketing companies collaborated at a New Zealand Venison stand at the trade show for North American food service. This gave a platform to showcase their products and meet potential new clients.

Kiwi Chef Shannon Campbell ran the kitchen on the venison stand and created small tasting dishes

using tender cuts of Denver leg for hundreds of visitors. Display cabinets also showed retail and chef-ready New Zealand Venison items from the marketing companies.

The importers included TerraPacific Marketing (for Mountain River Venison), The Lamb Company (Alliance and Silver Fern Farms), Fossil Farms (First Light), and Broadleaf and Sierra Meat (both Duncan NZ).

Importers commended DINZ for arranging the stand and the positive sense of collective industry commitment to the mission to grow the size of the pie for the venison market in the USA, rather than simply competing over existing business.



*Pictured on the New Zealand Venison stand at the NRA show: Shannon Campbell, US chef Erik Schardin (centre), with some of Sierra Meat's team (left to right), Bernadette Flocchini, Carol Jerwick, Kate Castro and McKayla Ford.*

As the largest food service trade event in North America, the NRA show is a valuable opportunity for industry and current or potential customers to connect over a busy few days.

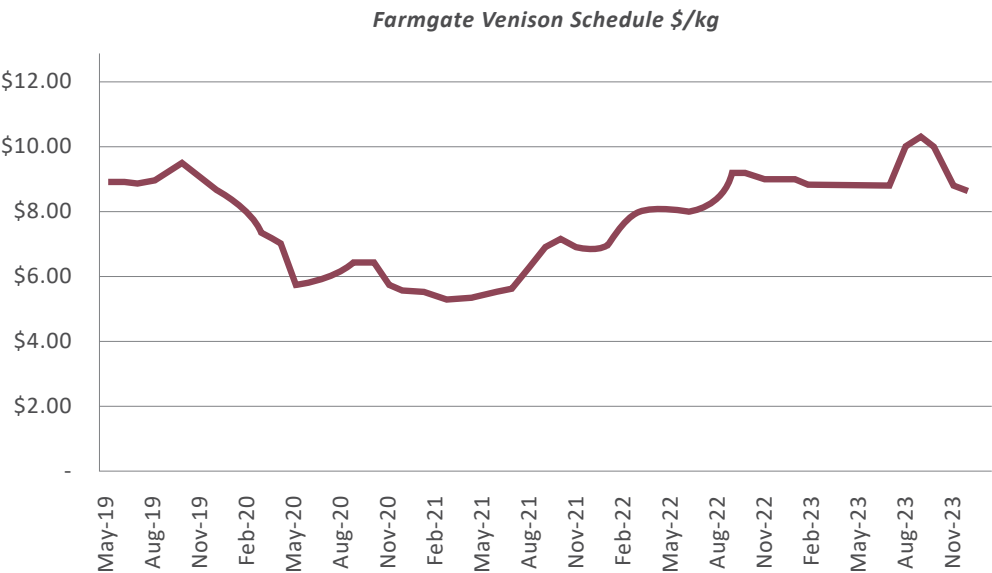
Having diverse markets is vitally important for the venison recovery. As well as the push into US retail, targeted promotion in US food service market is the fastest way to increase value and demand for venison.

US food service spend is lifting as the market and consumer confidence recover.

The total volume of New Zealand venison exports to the US has lifted by over 24 per cent over the past five years to the end of 2022.

VENISON PRICE RECOVERY

Venison prices to producers touched over \$10 per kg during the chilled supply window in 2023. This was a welcome return to farm gate returns needed for profit for venison production after the decimation of venison markets caused by the COVID19 pandemic.



Source: Statistics New Zealand



## PROMOTING VELVET'S HEALTH PROPERTIES

There is potential to grow deer velvet exports by promoting the health benefits of New Zealand deer velvet, supported by scientific research. DINZ has been working with respected health food companies in the Republic of Korea to promote the New Zealand brand. We aspire to do the same in other markets such as China. The second year of the China Deer Velvet Coalition work plan took place in 2022/23. DINZ co-funded a representative in China to establish demand for New Zealand velvet along with innovative Chinese health companies. The impact of the Covid lock-downs and subsequent internal market disruptions meant a delay in the development of these new relationships.

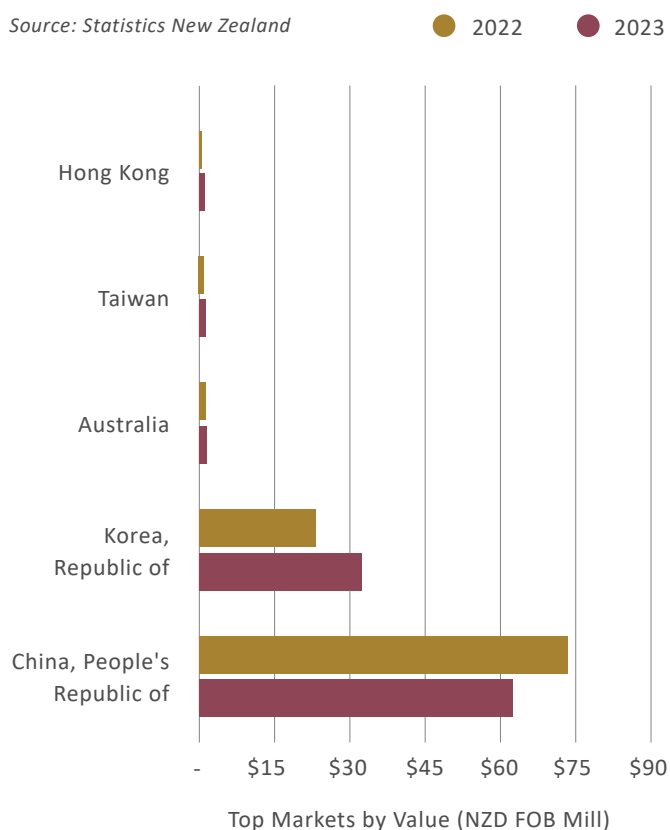
The potential to establish New Zealand velvet as a desired health product in China could extend the New Zealand provenance to Chinese consumers and further demand.

DINZ's role is in working with the health companies in Korea, China and Taiwan bring information that focuses on the benefits of using New Zealand velvet in existing or new health products. Commercial discussions and supply are left entirely with the New Zealand velvet processing and exporting companies.

### Export Destination - Velvet

The 2022/23 year saw a swing back to direct exports to Korea due to strong demand from health food companies seeking direct connections with New Zealand suppliers.

Source: Statistics New Zealand



## NATURE'S SUPERPOWER

New Zealand deer products are taking a leap to a new dimension with the rollout of a new way of telling the deer farming story. Nature's Superpower™ was developed by DINZ to help the sector tell a consistent story about the full suite of New Zealand's deer products.

It puts together the components of a story that can be applied in different markets and for different audiences with components that may add to companies' own brands. The aim is to move beyond the comparative approach taken previously, to create our own stories, instead of saying venison is 'like this, or not like that' to elevate our products so they are valued as Nature's finest, naturally farmed.

The narrative includes five building blocks: the ingenuity of the sector's pioneers; farming in harmony with nature; the superior health and nutritional benefits of venison and therapeutic potency of velvet; the integrity of New Zealand's deer systems; and the luxury and quality of the products.

These will be used to underpin stories around New Zealand deer farming and New Zealand deer products. They can be applied in a way that they will be beneficial in individual markets and to different audiences.

The new Nature's Superpower™ trademark, and straplines 'Nature's superpower protein' for venison and 'Nature's superpower supplement' for velvet, have been registered in New Zealand and other key markets.





# NATURE'S SUPERPOWER™

NATURALLY FARMED IN NEW ZEALAND

*The deer  
industry has a  
great story and  
a new suite of  
tools to tell it.*

*Deer industry storytelling  
shifts to Nature's Superpower  
'Naturally farmed in New  
Zealand'.*

## VELVET CASE STUDY – DEVELOPING THE HEALTH FUNCTIONAL FOOD MARKET

Despite Asia's tradition of using deer antlers to promote rapid healing, blood flow and growth in children, proof of velvet's efficacy via randomised human clinical trials has been lacking.

In 2023 the first two health functional food (HFF) claims, with extracts using New Zealand velvet, were approved by Korea's food safety authorities. This is the start of an exciting new era for New Zealand velvet in its top market.

The two approved claims were announced by Kwangdong Pharmaceutical, a Korean health food company, in late 2023.

After visiting New Zealand in 2017, Kwangdong selected New Zealand velvet, which met its stringent quality specifications for health functional food products.

In July, the Korean Ministry of Food and Drug Safety approved two products developed by Kwangdong. One targets men's health and was shown to boost prostate health; a second product was shown to increase energy levels. As a result, Kwangdong can now use these claims in health products being launched in 2024.

Kwangdong expects it to serve as a starting point for future deer antler-related business.

DINZ has partnered with a number of health food companies to support the development of new products, and to increase awareness of the origin of the velvet in finished consumer goods and more claims will be approved in the future.

Health functional food supplements – estimated by Kantar research conducted for NZ Trade & Enterprise (NZTE) to be worth around NZ\$6 billion in the Korean market in 2022 – represent one of the three legs of DINZ's velvet strategy to lift farmgate returns. The other two are healthy foods and traditional medicine. 🦌



## INDUSTRY TRENDS

● 2018

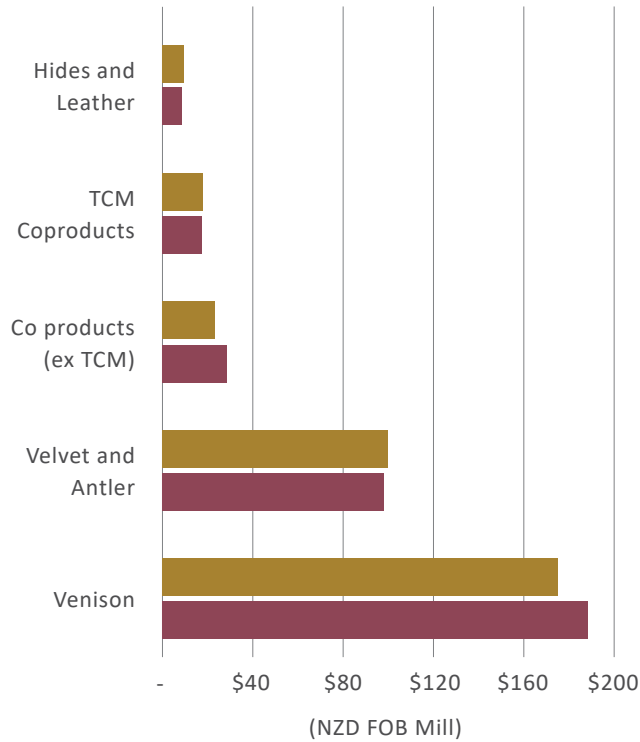
● 2022

● 2023

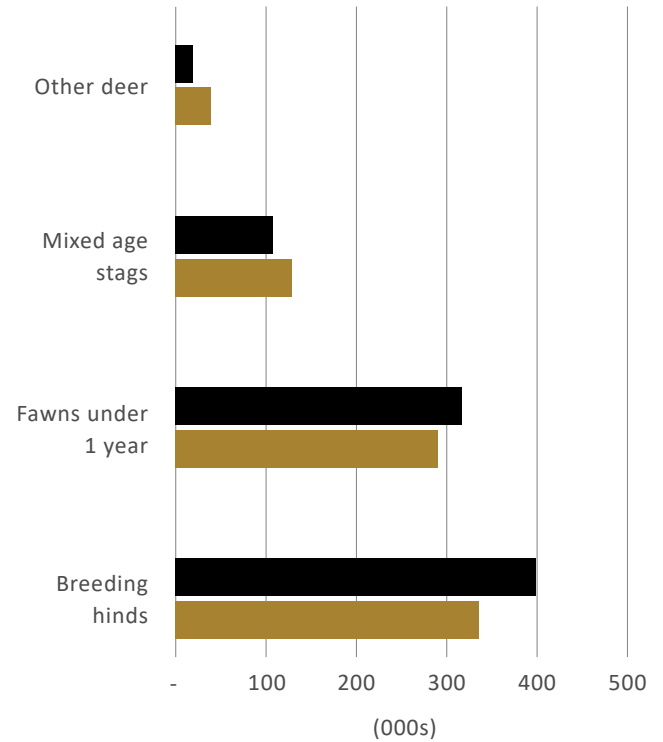
Source: Statistics New Zealand

**Value of Deer Product Exports**

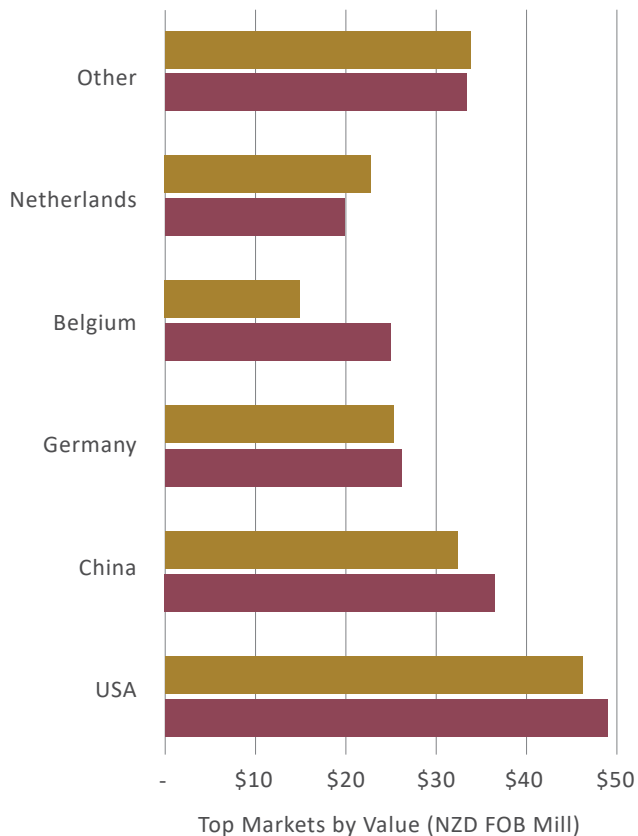
Strong recovery of international venison prices saw export receipts increase in 2023.

**Deer on Farms**

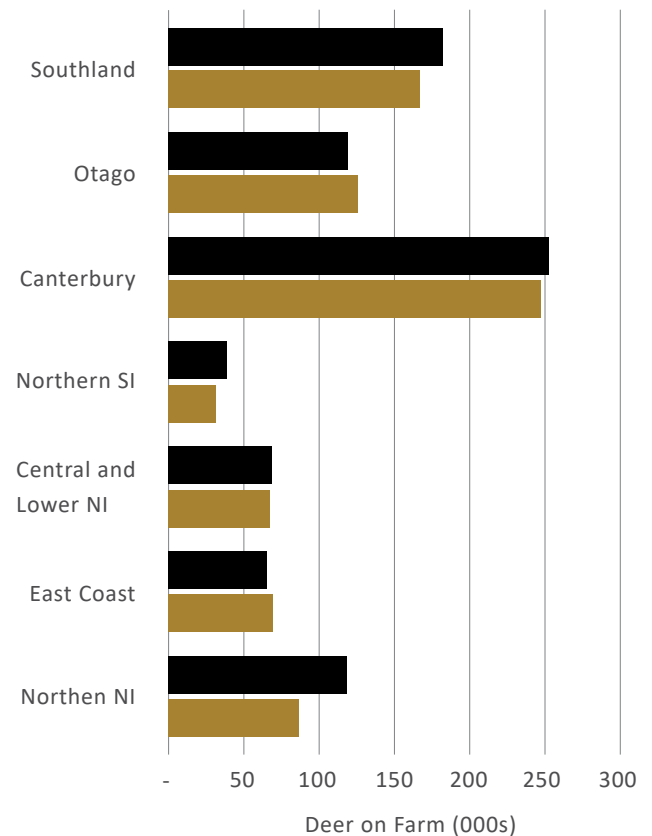
A swing from venison to velvet is reflected in the growth of stag numbers between 2018 and 2022, and a decline in the breeding herd.

**Venison Export Markets**

Exports to USA continued to increase. China grew in value as exporters sought market diversification.

**Deer by Region**

Deer numbers increased in Otago between 2018 and 2022, while they dropped in all other regions.



# RESEARCH AND INSIGHTS

## GREENHOUSE GAS MEASUREMENT AND MITIGATION

Deer, along with other ruminants, emit methane and deer farming also creates nitrous oxide emissions. Work to create accurate measurement tools for emissions from deer farming is continuing, with the objective of creating effective mitigations to meet regulatory requirements as well as the expectations of consumers and society at large.

Projects completed during the year included a literature review focusing on potential changes and their impact on deer systems, adaptation of measuring systems for deer, creation of model farms to investigate the on-farm impacts of system changes, and collection of tissue and rumen samples from deer to establish baseline data for future work.

Work funded by the pastoral sector through the joint venture Primary Greenhouse Gas Research Consortium was taken up for proof of concept testing by a large US animal health company. Work on methane inhibitors delivered via an intra-rumen capsule is aimed to deliver a product that can provide grazing animals with methane control for up to 6 months per dose, alleviating the need for constant consumption that is required for some other products with claims for efficacy.

Work on a vaccine to impede the production of methane showed promise, with the work by AgResearch, funded by PGGRC partners continuing to advance and generate interest in the international methane reduction science community. By the end of the 2023 year, funding for these projects with the AgriZeroNZ™ joint venture between MPI and the country's largest agribusiness was looking likely. AgriZeroNZ was established to commercialise promising research, and the partners in AgriZeroNZ have the commercial heft to bring products to market if they prove effective.





## RESEARCH PROGRAMME REVIEW

The deer industry is young and operates within a highly dynamic environment. Not only is there still much to learn about farming deer more profitably and efficiently, but this must be done within increasingly stringent rules to satisfy societal and market expectations.

The deer research community recently celebrated 50 years of remarkable achievements made from a standing start in the 1970s. Although much excellent work has been done in that time, deer farming, compared with the more mature livestock industries, still has a long list of research priorities.

Against this background there is increasing competition for finite resources to fund deer research, making it vital that the investment is effective and well targeted. For this reason, DINZ initiated a review of its deer research programme to ensure that the commissioning, monitoring and evaluation of research projects is both efficient and closely aligned to the 2022–2027 Strategy.

DINZ is developing an updated structure and process for its research programme and is consulting with farmer groups to explain the reasoning for the review and the expected benefits.

## ANIMAL WELFARE AND VELVET HARVEST

Deer have unique physical attributes and behavioural needs. The practice of harvesting velvet antler is also something that is unique to the industry.

As a result, the deer industry has a long history of working closely with the veterinary profession, allied industries and government regulators to develop animal welfare codes and operating guidelines that are practical, effective and appropriate to deer.

Two main areas of work around velvet harvesting were progressed. An in-house review on post-harvest pain management indicated that any discomfort following velvetting was likely to be low level and short lived. Work on haemostasis (control of bleeding after velvet harvest) was continued, with initial recommendations to the industry planned for later in 2023.

Any recommendations and changes in practice resulting from this programme will be made in consultation with the National Animal Welfare Advisory Committee and managed by the National Velvetting Standards Body, a collaboration between the veterinary profession and deer industry.

In the following year, work is planned involving histology to better understand the healing process in velvet antler after harvest, and use of remote sensing to more accurately gauge the physiological and behavioural response of stags to velvetting. 🦌

# POLICY AND GOVERNMENT RELATIONS

## POLICY WATCH AND RESPONSE

New policies, both at national and regional government level, have the potential to affect the deer industry throughout the value chain from farm to market.

DINZ maintains an active watch for new or changed policies that might affect deer, deer farming or processing.

While some policies affect all livestock sectors equally, some – especially relating to environmental or animal welfare protections – have a specific impact on the deer industry.

In some cases DINZ joins other primary industry groups and contributes to a pan-sector response to policy changes, but in other cases this advocacy work is done independently when a policy impact is unique to deer.

This work involves active engagement with relevant central government agencies and regional councils. In dealing with regional issues especially, representations are sometimes made in conjunction with the New Zealand Deer Farmers' Association.

A new reporting framework for policy response work is being developed.



*Stuart Anderson, Deputy Director General Biosecurity New Zealand and Innes Moffat DINZ CEO, sign the CWD Operational Agreement.*

## BIOSECURITY READINESS AND RESPONSE

DINZ is working to develop a biosecurity Government Industry Agreement, whereby the deer industry has a direct input into any biosecurity readiness and response activities affecting the deer industry.

Under this, an operational agreement for chronic wasting disease (CWD, a transmissible spongiform encephalopathy that affects only deer) has been developed and was signed on August 2023.

DINZ is also a party to an operational agreement with the Government to progress readiness work for a foot and mouth disease (FMD) incursion. As FMD affects all cloven-hoofed animals, this is part of a multi-sector agreement.

## KEY POLICY ISSUES

### OSPRI

Deer Industry New Zealand is a funder and shareholder of OSPRI limited and works with deer farmers and stakeholders to ensure the fulfilment of OSPRI's duties on TB management and ensuring traceability of deer for biosecurity purposes in New Zealand. Deer Industry New Zealand remitted \$1.4 million to OSPRI from farmer levies to fund the deer industry's share of TBfree and NAIT over the 2022/23 financial year.

### HWEN

Throughout the year DINZ staff and directors were embroiled in the work to design a recording and pricing system for agricultural emissions. The position of the government at that time was that it had to be either the ETS or a sector-designed programme. DINZ therefore decided that if a sector system was being designed, the deer industry had to be at the table to represent the sector's interests rather than allow other sectors to design a system that could have a large impact on deer farming viability.

DINZ remained firm in its principles throughout the debates on agricultural greenhouse gas pricing:

- Farmers need to measure and seek to reduce greenhouse gas emissions
- Any pricing must only be to incentivise uptake of available technology
- In the absence of feasible mitigations, GHG levies should only be for funding R&D
- Farmers without access to recognised sequestration and mitigations should be provided transitional relief from any GHG levies.

These principles were reflected in the recommendation documents that were put forward by the HWEN partnership.

### FRESH WATER

DINZ joined with B+LNZ and Federated Farmers representing farmers' interests on the development and roll-out of regulation of farm activity to manage water quality.

Primarily among these were rules on stock exclusion and fresh water farm plans. DINZ agrees that farmers must ensure that their actions do not materially negatively impact water quality and the industry has been undertaking a 5 year study of the impact of deer farming to provide a scientific basis to inform future discussion on impacts on water quality. In the absence of these facts, government actions risk addressing perceptions of impact rather than allowing farmers to take actions to ensure good water quality.

DINZ believes government can enable farmers to adopt a flexible approach to managing the exclusion of beef cattle and deer from waterways rather than a blanket rule that imposes a huge cost on extensively farmed systems that will not guarantee the desired outcome. 🦌



# INDUSTRY PRACTICE AND CAPABILITY

This focus area brings together people, knowledge and resources to equip deer farmers and those who support them with the tools to succeed. The focus is on developing leadership and skills to help the industry to thrive and to negotiate the work required for integrated farm planning.

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## INDUSTRY PATHWAYS

People with a knowledge and passion for the deer industry are essential if it is to develop and flourish. Industry Pathways is a strategic focus area for DINZ and aims to ensure there is a cohesive range of programmes that encourage and upskill not only new entrants to the industry but also the rural professionals who provide essential services.

This work is helping develop strong networks and career pathways within the industry, while boosting farmers' confidence that they will get the support they need. Professional development for those who support the industry includes the Massey University deer vet week for final-year veterinary students, held in September, and workshops for rural professionals. These workshops are used to demonstrate how deer are farmed, and the challenges and opportunities. That then enables rural professionals to support the industry with sound knowledge and understanding. DINZ has also provided resources and support to Lincoln University undergraduate agribusiness and commerce students from 100 – 300 level students. Presentations include deer industry origins and history to farm systems and market developments along with research topics into deer co-products and future industry opportunities. DINZ support for the NZ Deer Farmers' Association Next Generation programme has been another ongoing platform for supporting future leaders and young people entering the industry.



## INTEGRATED FARM PLANNING 'ENGAGED FARMERS TO SUCCEED'

Farmers have had an avalanche of environmental regulation and farm planning expectations thrown at them recently. While DINZ shares the Ministry for Primary Industries' (MPI's) view that farmers can become more resilient to change and manage risk through taking a planning approach, the practical on-farm support is not yet there in many regions.

MPI's Integrated Farm Planning (IFP) Accelerator fund of \$700,000 through to 2026 will provide a significant boost to the existing work DINZ does in this space. Our IFP project 'Engaged deer farmers to succeed' aims to deliver practical tools, workshops and resources to help farmers not only meet regulation but succeed beyond them. We aim to engage both existing Advance Party and environment groups and develop new groups across all deer farm sizes and systems.

Initial discussions with contractors and project managers have been held and pilot workshops are to begin in early 2024. Regional IFP groups facilitated by MPI have been an integral part of keeping in touch with the wider funding group and ensuring we work in partnership with others.

Our first workshops will enable farmers to develop a freshwater farm plan (FWFP) alongside a facilitator, subject experts and local farmers already on the FWFP journey. Beyond FWFP we are also looking to help proactive farmers further develop their business for farm assurance programmes.

## DEER SELECT

Genetics is crucial to enhancing industry productivity and profitability. Using Deer Select, a database built on pedigree and performance data from recorded animals in stud herds, breeders can rank animals based on their genetic merit for specific traits. Those cross-breeding between red deer and elk/wapiti have been after an across-breed evaluation tool to provide breeding values that enable the comparison of the genetic merit of red deer and elk/wapiti, allowing for a direct comparison of BVs and Indexes for red with wapiti. This was a major project for the year, requiring substantial investment of time. Good progress was made with the expectation of launch later in 2023. With the new evaluation tool, there will be updates to existing meat and velvet modules, fertility breeding values and new relative economic values.

## ADVANCE PARTIES

The beginning of the 2022/23 year marked the end of the Passion2Profit Primary Growth partnership between DINZ and MPI. A core component of the programme had been funding Advance Parties to bring farmers together to focus on profitably farming deer. With the ending of government funding, DINZ maintained funds for the Advance Parties that wished to stay together and part-fund their own activities. From a peak of 29 Advance Parties and 12 groups focused on environment planning, 18 groups with over 200 members have continued to meet regularly to focus on improving their deer farming operations.

## INDUSTRY PRACTICE AND CAPABILITY REFERENCE GROUP

Investment in the industry's "human capital" needs to be directed where it will be most effective in helping deer farmers remain productive and profitable. To help achieve this, a reference group of stakeholders and industry experts is proposed to act as a sounding board, guide and provide advice to DINZ on industry practice and capability initiatives and ensure they are aligned with the DINZ Strategy. Past initiatives through the then P2P programme of Advance Party groups are examples of industry investment supporting and enabling change. DINZ wants to learn from and build on past programmes to support deer farmers with the necessary tools and resources to be successful. 🦌

# NZDFA-EXECUTIVE SUPPORT AND PARTNERING

## WORKING TOGETHER — DINZ AND NZ DEER FARMERS' ASSOCIATION

Ever since DINZ was formed in 2002 it has enjoyed a strong and productive relationship with the New Zealand Deer Farmers' Association (NZDFA). While the two organisations share many objectives and work together on areas such as responses to central or local government proposals, their roles are distinct and their approaches to some issues may occasionally diverge.

The NZDFA provides DINZ with a direct channel of communication to the deer farming community, while DINZ offers a range of support services through its executive team. These are managed through the Producer Manager and a formal service level agreement. Regular consultation with deer farmers through the NZDFA and its branches helps guide DINZ's approach in areas such as research priorities.

The way the two governance groups — DINZ Board and NZDFA Executive Committee — regularly meet and interact is by agreement. The two met in July and the NZDFA approved the Producer Manager budget and a work plan. This will be followed by a review of the service level agreement and Producer Manager job description to reflect the evolving relationship and needs of the two organisations.

Ultimately it is feedback from grassroots farmers that will reflect how well the relationship is working and whether DINZ, as a levy-funded organisation, is satisfying their needs.





### LENDING A HELPING HAND FOR GABRIELLE RECOVERY

Cyclone Gabrielle has been a record breaker for all the wrong reasons and its impact has been felt across the North Island. The tight-knit deer farming community rallied to the cause to help their badly affected peers in areas that were impacted heavily.

An online auction, organised by NZDFA and using PGG Wrightson's bidr system, raised over \$117,000 for cyclone-affected deer farmers. This was part of the NZ Deer Farmers' Association (NZDFA) and DINZ's fundraising to help deer farmers recover.

The more than 50 auction items included stag semen, fencing gear, accommodation at Lake Ohau, venison, deer transport, pregnancy testing (for hinds!), CARLA testing, hinds, an elk bull and a fallow buck.

This includes financial assistance such as covering travel costs for fencing teams helping with replacement of boundary fencing. Deer fences were down throughout the worst-hit regions, where drones were deployed to locate escaped deer, particularly in Hawke's Bay, but also Gisborne and Northland. There were also many slips impacting rural roads and farm infrastructure.

Hawke's Bay NZDFA members coordinated services and help for those who needed it. Deer farmers have also been involved in flying in supplies, including generators, for the worst affected.

Recovery from the cyclone has taken many months and will take years for some. 🦌

# FIT FOR PURPOSE

As Deer Industry New Zealand entered the review of industry needs, a look at the functional competencies was also necessary to ensure a small team was capable of delivering the services needed by stakeholders. Not having the levels of staffing enjoyed by larger producer organisations, it is crucial for DINZ to deploy the right skills and systems to effectively carry out its work plan. Given the resourcing constraints brought about by reduced levy income, DINZ is focusing its efforts on a smaller range of projects while prioritising work that will yield the greatest benefits for the industry. This work programme is being underpinned by several discrete projects to help make this happen.

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The team spent a significant amount of time aligning the way it works across business systems during the year. Four areas of work are key to the effectiveness of an industry good organisation.



## PROJECT MANAGEMENT

Having robust project management in place means progress will be clearly visible to both DINZ and its stakeholders.

The Powatahi Project Management Tool – Lite Solution was selected by DINZ in June. Trialling by staff is underway, with training and implementation to follow.

## INFORMATION ANALYSIS

Good decision making should be grounded on effective information gathering and analysis – people, systems and processes. Not only does this support good quality decisions but it also helps DINZ provide stakeholders with the information in a form they need, using appropriate metrics.

Preliminary work has been done on information needs, with the formal Information Analysis project scheduled to begin in the next financial year.



## STAKEHOLDER ENGAGEMENT

DINZ represents the interests of the farmed deer sector to multiple agencies whose decisions and actions impact people's ability and willingness to farm deer and process and export deer products. Confirmation of key relationships and targeted communications with groups who influence farmers and policy makers is an essential role for DINZ. A better customer relationship management system and support will be developed, with the aim of improving levels of influence and engagement.



*Minister of Agriculture Damien O'Connor (during the 2022/23 period) and DINZ Chair Mandy Bell*

## STRATEGIC COMMUNICATIONS

A DINZ communications strategy was approved by the Board in April 2023. Initial work will focus on analysis of future communications needs, communications contracts and a planned farmer survey to monitor effectiveness of DINZ communications activities.

All DINZ projects will have a communications component aligned with the Strategy, ensuring all stakeholders are kept up to date on progress.

Communication between the two deer industry organisations is also included, and the formal links between the DINZ Board and NZDFA Executive Committee will be part of the reviewed DINZ–NZDFA service level agreement. 🦌

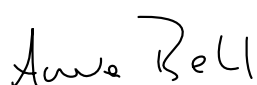
# SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

For the year ended 30 September 2023	Consolidated 2023 (\$000)	Consolidated 2022 (\$000)
<b>Revenue income</b>		
Venison levy income	3,600	3,787
Velvet levy income	3,025	2,933
Tbfree levy income	1,197	1,186
NAIT levy	259	102
Grant income	578	1,350
Other revenue	673	451
<b>Total Revenue</b>	<b>9,332</b>	<b>9,809</b>
<b>Expenditure</b>		
Research expenditure	830	838
Market Access and Development	2,165	2,163
Industry Capability and QA	1,636	2,789
Tbfree and NAIT expenditure	1,274	1,337
Other expenditure	3,147	2,445
<b>Total Expenditure</b>	<b>9,052</b>	<b>9,572</b>
<b>Total Comprehensive Revenue and Expenditure Before Taxation</b>	<b>280</b>	<b>237</b>
Taxation Expense	-	-
<b>Total Comprehensive Revenue and Expenditure After Taxation</b>	<b>280</b>	<b>237</b>

## SUMMARY STATEMENT OF FINANCIAL POSITION

As at 30 September 2023	Consolidated 2023 (\$000)	Consolidated 2022 (\$000)
<b>Accumulated Funds</b>	3,960	3,680
<b>Represented by:</b>		
<b>Current Assets</b>		
Cash at Bank	2,876	2,968
Investments	1,050	251
Stock - VelTrak Tags	151	115
Accounts receivable and other receivables	686	1,424
	<b>4,763</b>	<b>4,758</b>
<b>Non Current Assets</b>		
Property, plant and equipment	30	23
Intangible assets	192	538
	<b>222</b>	<b>561</b>
<b>Total assets</b>	<b>4,985</b>	<b>5,319</b>
<b>Current liabilities</b>		
Accounts payable and accruals	909	1,509
Employee entitlements	100	127
	<b>1,009</b>	<b>1,636</b>
<b>Non current liabilities</b>		
Accrued lease liabilities	16	3
<b>Total liabilities</b>	<b>1,025</b>	<b>1,639</b>
<b>Net Assets</b>	<b>3,960</b>	<b>3,680</b>



Chair of the Board  
Date: 23 November 2023



Chair of Audit and Risk committee  
Date: 23 November 2023

## SUMMARY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2023	Consolidated 2023 (\$000)	Consolidated 2022 (\$000)
Opening Equity	3,680	3,443
Total Comprehensive Revenue and Expenditure After Taxation	280	237
Closing equity	3,960	3,680

## SUMMARY STATEMENT OF CASH FLOWS

For the year ended 30 September 2023	Consolidated 2023 (\$000)	Consolidated 2022 (\$000)
Net cashflows from/(used in) operating activities	731	(146)
Net cashflows (used in)/from investing activities	(823)	648
Net (decrease)/increase in cash held	(92)	502
Opening Cash Balance at the start of the year	2,968	2,466
Closing Cash Balance at the end of the year	2,876	2,968

## NOTES TO SUMMARY FINANCIAL STATEMENTS

The specific disclosures included in this summary financial report have been extracted from the full financial report which was authorised for issue on 23 November 2023.

The full financial statements have been prepared in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime. The full financial statements have been audited and an unmodified audit opinion has been issued. These summary financial statements comply with PBE FRS 43. Figures are in New Zealand dollars, which is the Deer Industry New Zealand Consolidated Group's presentation currency. All summary financial information has been rounded to the nearest thousand.

The summary financial report does not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial report of the Group.

If you require a set of accounts, please contact Innes Moffat on email - [innes.moffat@deernz.org](mailto:innes.moffat@deernz.org) and we will forward a copy to you.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF DEER INDUSTRY NEW ZEALAND GROUP'S SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Auditor-General is the auditor of Deer Industry New Zealand and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, to carry out the audit of the summary consolidated financial statements of the Group on his behalf.

#### Opinion

The summary consolidated financial statements of Deer Industry New Zealand Group on page 22 to 23, that comprise the summary consolidated statement of financial position as at 30 September 2023, the summary consolidated statement of comprehensive revenue and expenditure, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year ended on that date, and related notes, are derived from the full consolidated financial statements for the year ended 30 September 2023 that we have audited.

In our opinion, the summary consolidated financial statements are consistent, in all material respects, with the audited full consolidated financial statements for the year ended 30 September 2023, in accordance with PBE FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

#### Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The summary financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full financial statements.

#### The full financial statements and the full statement of performance and our audit report thereon

We expressed an unmodified audit opinion on the full consolidated financial statements for the year ended 30 September 2023 and in our auditor's report dated 23 November 2023.

#### Board of Directors' responsibility for the summary consolidated financial statements

The Board of Directors are responsible on behalf of Deer Industry New Zealand Group for the preparation of the summary consolidated financial statements in accordance with PBE FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

#### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited full consolidated financial statements of Deer Industry New Zealand Group, based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Deer Industry New Zealand Group.

A blue ink signature, appearing to be "H. Anton", written in a cursive style.

**Hamish Anton, Deloitte Limited**

On behalf of the Auditor-General, Wellington, New Zealand

23 November 2023



# DEER INDUSTRY NZ FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2023

	Notes	Consolidated 2023 \$,000	Consolidated 2022 \$,000	Parent 2023 \$,000	Parent 2022 \$,000
<b>Revenue</b>					
<b>Non Exchange Revenue</b>					
Levy Revenue Venison		3,600	3,787	3,600	3,787
Levy Revenue Velvet		3,025	2,933	3,025	2,933
Government Grant - P2P		0	998	0	998
Government Grant - Natural Knowledge		578	351	578	351
Government Grant - Share in Consortium		0	1	0	0
Tbfree Levy Received	1	1,197	1,186	1,197	1,186
NAIT Levy Received	2	259	102	259	102
<b>Exchange Revenue</b>					
Other Revenue		366	287	363	286
Sales from Veltrak Tags	13	134	110	134	110
Interest Received		173	54	120	45
<b>TOTAL REVENUE</b>		<b>9,332</b>	<b>9,809</b>	<b>9,276</b>	<b>9,798</b>
<b>EXPENDITURE</b>					
<b>Research and Insights</b>		<b>830</b>	<b>838</b>	<b>1,245</b>	<b>1,173</b>
<b>Market Access and Development</b>		<b>2,165</b>	<b>2,163</b>	<b>2,165</b>	<b>2,183</b>
<b>Policy and Advocacy</b>		<b>368</b>	<b>347</b>	<b>368</b>	<b>347</b>
<b>Industry Capability and QA</b>	13	<b>1,636</b>	<b>2,789</b>	<b>1,636</b>	<b>2,789</b>
<b>NZDFA Executive Support and Partnering</b>		<b>254</b>	<b>222</b>	<b>254</b>	<b>222</b>
<b>TbFREE Levy</b>	1	<b>1,065</b>	<b>1,186</b>	<b>1,065</b>	<b>1,186</b>
<b>NAIT Levy</b>	2	<b>209</b>	<b>151</b>	<b>209</b>	<b>151</b>
<b>Natural Knowledge</b>		<b>578</b>	<b>351</b>	<b>578</b>	<b>351</b>
<b>OPERATING EXPENDITURE</b>					
Audit Fees	3	56	60	46	50
Amortisation of Software	8	346	271	346	271
Depreciation and loss on disposal	8	15	14	15	14
Directors' Fees	10	236	207	236	207
Foreign Currency Loss		24	29	25	30
Insurance		57	58	57	58
Accounting and Advisory Fees		16	12	16	12
Other Operating Expenses		487	441	488	419
Levy Audits		2	2	2	2
Premises Rental and Costs		80	82	80	82
Fit for Purpose		142	0	142	0
Project Management System		38	0	38	0
Communications		448	349	448	349
<b>Total Operating Expenditure</b>		<b>1,947</b>	<b>1,525</b>	<b>1,939</b>	<b>1,494</b>
<b>Total Expenditure</b>		<b>9,052</b>	<b>9,572</b>	<b>9,459</b>	<b>9,896</b>
<b>Total Comprehensive Revenue and (Expense) Before Taxation</b>		<b>280</b>	<b>237</b>	<b>(183)</b>	<b>(98)</b>
<b>Taxation Expense</b>	4	-	-	-	-
<b>Total Comprehensive Revenue and (Expense) After Taxation</b>	11	<b>280</b>	<b>237</b>	<b>(183)</b>	<b>(98)</b>

The accompanying notes on pages 5 to 20 form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 September 2023

	<b>Notes</b>	<b>Consolidated 2023 \$,000</b>	<b>Consolidated 2022 \$,000</b>	<b>Parent 2023 \$,000</b>	<b>Parent 2022 \$,000</b>
Opening Equity		3,680	3,443	1,894	1,992
Total Comprehensive Revenue and (Expense) After Taxation		280	237	(183)	(98)
Total Recognised Revenue and Expenses		280	237	(183)	(98)
<b>Closing Equity</b>		<b>3,960</b>	<b>3,680</b>	<b>1,711</b>	<b>1,894</b>
<b>Closing Equity comprises:</b>					
Deer Industry New Zealand	11	1,711	1,894	1,711	1,894
PGgRc	11	-	1	-	-
Deer Industry New Zealand Research Trust	11	2,249	1,785	-	-
		<b>3,960</b>	<b>3,680</b>	<b>1,711</b>	<b>1,894</b>

The accompanying notes on pages 5 to 20 form part of these financial statements

## STATEMENT OF FINANCIAL POSITION

For the year ended 30 September 2023


	Notes	Consolidated 2023 \$,000	Consolidated 2022 \$,000	Parent 2023 \$,000	Parent 2022 \$,000
<b>Accumulated Funds</b>	<b>11</b>	<b>3,960</b>	<b>3,680</b>	<b>1,711</b>	<b>1,894</b>
<b>Represented By :</b>					
<b>Current Assets</b>					
Cash & Bank accounts		2,876	2,968	1,108	844
Stock - Veltrak Tags	<b>13</b>	151	115	151	115
Investments	<b>5</b>	1,050	251	250	251
Receivables	<b>6</b>	646	1,354	648	1,351
Accrued Interest		12	1	4	1
Prepayments		28	69	25	69
<b>Total Current Assets</b>		<b>4,763</b>	<b>4,758</b>	<b>2,186</b>	<b>2,631</b>
<b>Less Current Liabilities</b>					
Accounts Payable		456	808	128	467
Income Received in Advance		108	201	108	201
Accruals		345	500	345	500
Taxation Payable	<b>4</b>	-	-	-	-
Employee Entitlements		100	127	100	127
<b>Total Current Liabilities</b>		<b>1,009</b>	<b>1,636</b>	<b>681</b>	<b>1,295</b>
<b>Non-Current Assets</b>					
Property, Plant & Equipment	<b>8</b>	30	23	30	23
Intangible Assets	<b>8</b>	192	538	192	538
<b>Total Non Current Assets</b>		<b>222</b>	<b>561</b>	<b>222</b>	<b>561</b>
<b>Non Current Liabilities</b>					
Accrued Lease Liabilities		16	3	16	3
<b>Total Non Current Liabilities</b>		<b>16</b>	<b>3</b>	<b>16</b>	<b>3</b>
<b>Net Assets</b>		<b>3,960</b>	<b>3,680</b>	<b>1,711</b>	<b>1,894</b>

The accompanying notes on pages 5 to 20 form part of these financial statements

The Financial Statements were authorised on behalf of the Board by:

  
Chair of the Board

23 November 2023  
Date

  
Chair of Audit and Risk Committee

23 November 2023  
Date

**CASHFLOW STATEMENT**

For the year ended 30 September 2023

	Consolidated 2023 \$,000	Consolidated 2022 \$,000	Parent 2023 \$,000	Parent 2022 \$,000
Venison, Velvet & TBfree Levies Contributions	8,138	8,265	8,138	8,265
Government Grants	1,258	942	1,258	942
Interest Received	163	55	118	46
Other Operating Income	337	421	334	422
GST Received	59	-	40	-
	<u>9,955</u>	<u>9,683</u>	<u>9,888</u>	<u>9,675</u>
Payments to Suppliers and Employees	9,224	9,742	9,601	10,163
Taxation Paid	-	2	-	2
GST Paid	-	85	-	93
	<u>9,224</u>	<u>9,829</u>	<u>9,601</u>	<u>10,258</u>
<b>Net Inflow / (Outflow) from Operating Activities</b>	<b>731</b>	<b>(146)</b>	<b>287</b>	<b>(583)</b>
<b>Cashflows from Investing Activities</b>				
Cash was received from:				
Sale of Investments	1,400	5,504	900	4,604
Cash was applied to :				
Purchase of Investments	2,200	4,550	900	3,648
Purchase of Fixed Assets	23	306	23	306
<b>Net (Outflow) / Inflow from Investing Activities</b>	<u>(823)</u>	<u>648</u>	<u>(23)</u>	<u>650</u>
<b>Net (Decrease) / Increase in Cash Held</b>	<b>(92)</b>	<b>502</b>	<b>264</b>	<b>67</b>
<b>Opening Cash Balance at start of the year</b>	<b>2,968</b>	<b>2,466</b>	<b>844</b>	<b>777</b>
<b>Closing Cash Balance at end of the year</b>	<u><b>2,876</b></u>	<u><b>2,968</b></u>	<u><b>1,108</b></u>	<u><b>844</b></u>

The accompanying notes on pages 5 to 20 form part of these financial statements



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

### REPORTING ENTITY

The financial statements are for Deer Industry New Zealand (the Parent), as a separate entity and the consolidated financial statements are for the Deer Industry New Zealand Group (the Group), which includes all its subsidiaries and associated entities as disclosed in these notes.

Deer Industry New Zealand is a marketing authority established under the Primary Products Marketing Act 1953 and the Deer Industry New Zealand Regulations 2004.

Deer Industry New Zealand is charged with promoting and assisting the development of the deer industry in New Zealand.

The Parent and the Group are designated as a public benefit entity (PBE) for financial reporting purposes. The financial statements for Deer Industry New Zealand are for the year ended 30 September 2023 and were approved by the Board on 23 November 2023.

### BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

#### Statement of compliance

The financial statements of Deer Industry New Zealand are required to comply with Public Benefit Entity Accounting Standards (PBE).

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. Deer Industry New Zealand is eligible to report using Tier 2 PBE accounting standards due to it being non-publicly accountable and non-large.

Deer Industry New Zealand has taken full advantage of the exemptions available under the framework.

#### Basis of measurement

The accounting policies set out in the relevant notes to the financial statements have been applied consistently to all periods presented in these financial statements. The financial statements have also been prepared on an historical cost basis. Accrual accounting is used in the recognition of expenses and revenues. The accounting policies have been applied consistently by the Group entities.

#### Presentation currency

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

### Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables, which are stated inclusive of GST.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Consolidation

The consolidated financial statements include Deer Industry New Zealand and its subsidiaries. All significant inter-company transactions are eliminated on consolidation.

The following entities have been consolidated for the year ended 30 September 2023. All subsidiaries and the Trusts have a 30 September balance date.

- Deer Industry New Zealand Research Trust

The Trust is a charitable research trust established by Deer Industry New Zealand on 10 June 2008. Operations began on 1 July 2008. The Trust is registered as a charitable entity under the Charities Act 2005 (Registration Number CC33142). The purposes of this Trust include:

- (a) undertake, and arrange to be undertaken, research into deer and into processing methods for slaughtered deer;
- (b) undertake, and arrange to be undertaken, research into products derived from deer including venison and velvet;
- (c) undertake, and arrange to be undertaken, research into processing and dealing with products derived from deer including venison and velvet;
- (d) undertake, and arrange to be undertaken, research into the farming of deer to enhance the value, quality and marketability of the production from deer farming; and
- (e) disseminate research outcomes to the deer industry.

- Cervena Trust Limited

Cervena Trust Limited is the corporate trustee of the Cervena Trust. Deer Industry New Zealand owns 25 percent of the share capital of Cervena Trust Limited and the remaining 75 percent is held in a fiduciary capacity by the directors on behalf of Deer Industry New Zealand. In these circumstances, while not operationally part of the Deer Industry New Zealand Group, power and benefit elements are present and therefore the financial statements of the Cervena Trust Limited are required to be consolidated with those of Deer Industry New Zealand under IPSAS 6: *Consolidated and Separate Financial Statements*. The company does not trade.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

The following entities have not been consolidated for the year ended 30 September 2023:

- Cervena Trust

The purpose of the Cervena Trust is to develop and promote the Cervena appellation. It does this by licensing the appellation through Cervena Trust Limited to sub-licensees. The Trust has not been consolidated as Deer Industry New Zealand does not have an ownership interest in the Trust. In addition, the beneficiaries of the Trust are not the same group as the stakeholders in Deer Industry New Zealand but are a subset of that group.

The following company is an associated entity of Deer Industry New Zealand during the year ended 30 September 2023.

- Pastoral Greenhouse Gas Research Consortium (PGgRC)  
DINZ has a 1.28% interest in this research consortium.

The proportionate consolidation method of accounting for joint operations applies the following principles for the Company's share in the joint operation with separate disclosure of:

- MBIE non-exchange revenue,
- Other revenue,
- Research expenditure, and
- Administration expenditure.

The share of cash contributions in the consortium is not always consistent amongst partners annually which creates a variance between net asset movement and the proportionate surplus or deficit reported by each of the joint ventures. Adjustments to reflect this annually are recognised in the Statement of Comprehensive Revenue and Expense as "Change in Proportionate Share in Consortium Net Assets".

PGgRC has a balance date of 30 June and DINZ has consolidated their share from 1 October 2022 to 30 September 2023.

- OSPRI New Zealand Limited

OSPRI New Zealand is a not-for-profit limited company, established on 1 July 2013. Its shareholders are DairyNZ (45.5%), Beef+Lamb New Zealand Ltd (45.5%) and Deer Industry New Zealand (9%). TBfree New Zealand Ltd (formerly the Animal Health Board) and NAIT Ltd are wholly-owned subsidiaries of OSPRI New Zealand Ltd.

OSPRI New Zealand Limited is registered as a charitable entity under the Charities Act 2005 (Registration Number CC49247). Ospri New Zealand Limited has a 30 June balance date.

PBE IPSAS 41 Financial Instruments requires DINZ to consider the carrying value of its 9% shareholding in OSPRI. The future value of any cashflows to DINZ resulting from its shareholding has been considered. These cashflows are nil as OSPRI cannot return

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

funds to its shareholders under its constitution. As a result the OSPRI equity investment is accounted for at cost which is nil and is not expected to be materially different to its fair value.

### **Revenue**

The specific accounting policies for significant revenue items are explained below.

#### **Levy Income from members (Non exchange revenue)**

Venison, velvet, TBfree and NAIT levies are received from members in the ordinary course of business and are accounted for using an accrual basis.

#### **Government Grant – P2P Programme & Natural Knowledge (Non exchange revenue)**

Government grants from the Primary Growth Partnership are accounted for an accrual basis. Contributions have been made in kind to the P2P Programme but are not included in the financial statements. The programme was completed at the conclusion of the 2022 financial year.

Government grants for Natural Knowledge are accounted for on an accrual basis and income is matched to expenditure.

#### **Joint Venture Funding from the Ministry of Business, Employment and Innovation (MBIE) (Non-exchange revenue)**

The research joint venture PGgRC receives grant funding following application to MBIE. Funding is recognised when received and when the expected milestones have been achieved and the conditions of MBIE funding have been met. Funding is recognised as revenue in proportion to DINZ's ownership interest in this consortium.

#### **Interest, Other Revenue and Project Management Income (Exchange revenue)**

Interest earned, other income and project management revenue is accounted for on an accrual basis

#### **Sales from Veltrak Tags (Exchange revenue)**

Sales for electronic Veltrak tags to veterinary clinics is accounted for on an invoice basis.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

### Income Tax

Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

### Research

All research expenditure incurred by the Group and Company during the year has been expensed.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held on call with registered banks.

### Investments

Investments comprise bank term deposits with expiry dates greater than three months and are accounted for at cost.

### Accounts Receivable

Accounts receivable are stated at expected realisable value.

### Accounts Payable

Short term payables are recorded at their face value.

Accrual accounting is used in the recognition of expenses and revenues.

### Property, plant and equipment

Property, plant, and equipment consist of the following asset classes: Computer equipment, leasehold improvements, furniture and fittings, and office equipment. All asset classes are measured at cost, less accumulated depreciation and impairment losses.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

Furniture & Fittings	5 to 10 years	10%-20%
Office Equipment	5 years	20%
Computer Equipment	3 years	33%
Leasehold Improvements	5 years	20%

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

### Intangibles: Computer Software

Computer software is measured at cost, less accumulated amortisation and impairment losses.

### Amortisation

Amortisation is provided on a straight-line basis on all Computer software at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of computer software have been estimated as follows:

Computer Software	3 years	40%
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The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

### Employee Entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

### Accrued Lease Liabilities

Accrued lease liabilities recognise the remaining benefits of a rent-free period at the commencement of the lease apportioned over the six-year lease period. The benefit is proportionately reduced each year.

### Foreign Currencies

Foreign currency transactions are translated into NZD (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### Financial Instruments

Deer Industry New Zealand is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable, trade creditors and forward rate agreements for foreign currency.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

Revenues and expenses in relation to all financial instruments are recognised in the Statement of Comprehensive Revenue and Expense.

### Inventory

Inventory includes stock for Veltrak tags available for distribution and is recognised at the lower of cost or net realisable value.

### Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

#### 1. TBfree Levy

Deer Industry New Zealand executed TB Plan Funders' Agreement which is effective from 1 July 2016 for a ten-year period. The agreed annual funding commitment for the July 2023 to June 2024 is \$1.032 million to be paid monthly in equal instalments.

Deer Industry New Zealand collects the TBfree ('TBf') levy at a rate set annually from 1 October, and makes minimum monthly payments based on the annual contribution agreed with OSPRI. If Deer Industry New Zealand collects excess TBf levies over the minimum payment required \$1.032 million (paid equally over each month) (2022: \$1.104 million) these are required to be remitted to TBf. This year the amount collected was \$1.197 million (2022: \$1.186 million) and the amount remitted was \$1.065 million (2022: 1.186 million) and includes a wash up for the TBf financial year ended June 2022.

The TBf levy is reviewed annually by Deer Industry New Zealand.

#### 2. National Animal Identification & Tracing (NAIT) Levy

Deer Industry New Zealand collects the NAIT levy at a rate set annually from 1 October. These levy funds are required to be remitted to NAIT in the month following collection.

NAIT also collects directly an Impractical to Tag levy from deer farmers and these levies are applied for the benefit of the deer industry by NAIT.

	<b>2023</b> <b>\$,000</b>	<b>2022</b> <b>\$,000</b>
NAIT Levies received	259	102
NAIT Levies paid	(209)	(151)
	<u>50</u>	<u>(49)</u>

The NAIT levy is reviewed annually by Deer Industry New Zealand.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2023

**3. Audit Fees**

Audit fees paid by Deer Industry New Zealand include the audit of other Group entities:

	<b>2023 \$,000</b>	<b>2022 \$,000</b>
Audit of Deer Industry New Zealand	46	50
Audit of other Group entities	10	10
	<u>56</u>	<u>60</u>

**4. Taxation**

	<b>Consolidated 2023 \$,000</b>	<b>Consolidated 2022 \$,000</b>	<b>Parent 2023 \$,000</b>	<b>Parent 2022 \$,000</b>
Total Comprehensive Revenue and Expenses Before Taxation	280	237	(183)	(98)
Tax @ 28%	78	66	(52)	(27)
Plus/(less) tax effects of:				
• Non-deductible expenses	(117)	(64)	13	29
• Derecognition of current year deferred tax asset	39	8	39	8
• Tax losses (utilised)/ generated	-	-	-	-
• Prior period adjustment	-	(10)	-	(10)
Income Tax Expenses as per Statement of Comprehensive Revenue and Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group and the Parent have nil tax payable and tax losses of \$123,550 available to carry forward subject to the requirements of the Income Tax Act 2007 being met. (2022: loss of \$41,125).

The deferred tax asset arising from timing differences and tax losses of \$107,512 (2022: \$60,971) in respect of the Group and \$107,512 (2022: \$60,971) in respect of the Parent have not been recognised in the financial statements.

Deer Industry New Zealand, and Cervena Trust Limited are all taxable entities. The Deer Industry New Zealand Research Trust is tax exempt due to its Charitable Trust status.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

**5. Investments**

	<b>2023</b>	<b>2022</b>
<b>Parent</b>	<b>\$,000</b>	<b>\$,000</b>
Term deposits	250	251
<b>Group</b>		
Term deposits	1,050	251

The carrying amount for investments is cost which are their fair value.

**6. Receivables**

Accounts receivable comprise:

<b>Parent</b>	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Levies receivable	377	234
Government Grant – P2P	0	680
GST Receivable	245	294
<b>Total non-exchange transactions</b>	<b>622</b>	<b>1,208</b>
<b>Exchange Transaction- Sundry Receivables</b>	26	143
<b>Total Parent Receivables</b>	<b>648</b>	<b>1,351</b>
<b>Group</b>	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Levies receivable	377	234
Government Grant – P2P	0	680
GST Receivable	245	294
<b>Total non-exchange transactions</b>	<b>622</b>	<b>1,208</b>
<b>Exchange Transaction- Sundry Receivables</b>	24	146
<b>Total Group Receivables</b>	<b>646</b>	<b>1,354</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2023

**7. Key management personnel compensation**

Key management personnel compensation for the year ended 30 September 2023 and 2022 is set out below. The key management personnel are the Directors of Deer Industry New Zealand, the Chief Executive Officer and his direct reports.

The management team comprised of 6 members then after a restructure during the year there are now 5 members.

	2023	2022
<i>Board Members</i>		
Remuneration (\$,000)	\$235	\$207
Full-time equivalent members	8	8
<i>Leadership Team (KMP)</i>		
Remuneration (\$,000)	\$1,084 *	\$1,000
Full-time equivalent members	5	6
<i>Total Employee Remuneration</i>		
Remuneration (\$,000)	\$1,709 *	\$1,660
Full-time equivalent members	11.2	13

\*includes redundancy and payout of untaken leave during the financial year

**Key Management Staff**

Set out below are the numbers of key management staff of Deer Industry New Zealand and its subsidiaries who received remuneration and other benefits of \$100,000 or more during the year, redundancy and untaken annual leave, in their capacity as employees.

Remuneration Range	Number of Employees
\$120,000 - \$129,999	1
\$140,000 - \$149,999	2
\$150,000 - \$159,999	2
\$200,000 - \$209,999	1
\$250,000 - \$259,999	1

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

**8. Property, Plant and Equipment and Intangible Assets**

\$000	FURNITURE & FITTINGS 2023 \$	COMPUTER EQUIPMENT 2023 \$	OFFICE EQUIPMENT 2023 \$	INTANGIBLE ASSETS 2023 \$	WORK IN PROGRESS 2023 \$	TOTAL 2023 \$
Opening Balance	4	16	3	263	275	561
Additions	3	8	7	-	5	23
Transfers	-	-	-	275	(275)	-
Disposals	-	-	-	-	-	-
Depreciation	(1)	(12)	(3)	(346)	-	(362)
<b>Closing Balance</b>	<b>6</b>	<b>12</b>	<b>7</b>	<b>192</b>	<b>5</b>	<b>222</b>
Gross Carrying Amount	16	95	18	1,202	5	1,336
Accumulated Depreciation	(10)	(83)	(11)	(1,010)	-	(1,114)
<b>Net Carrying Amount</b>	<b>6</b>	<b>12</b>	<b>7</b>	<b>192</b>	<b>5</b>	<b>222</b>

\$000	FURNITURE & FITTINGS 2022 \$	COMPUTER EQUIPMENT 2022 \$	OFFICE EQUIPMENT 2022 \$	INTANGIBLE ASSETS 2022 \$	WORK IN PROGRESS 2022 \$	TOTAL 2022 \$
Opening Balance	5	17	1	519	-	542
Additions	-	16	3	15	275	309
Disposals	-	(5)	-	-	-	(5)
Depreciation	(1)	(12)	(1)	(271)	-	(285)
<b>Closing Balance</b>	<b>4</b>	<b>16</b>	<b>3</b>	<b>263</b>	<b>275</b>	<b>561</b>
Gross Carrying Amount	14	88	10	926	275	1,313
Accumulated Depreciation	(10)	(72)	(7)	(663)	-	(752)
<b>Net Carrying Amount</b>	<b>4</b>	<b>16</b>	<b>3</b>	<b>263</b>	<b>275</b>	<b>561</b>

Intangible Assets comprise the VelTrak (velvet tracking system), Customer Relationship Management system and the Regulated Control Scheme Audit (for removal of deer velvet) systems.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2023

**9. Financial Instruments****Nature and Extent**

The Group does not transact forward exchange agreements to hedge against currency movements. Any foreign currency requirements are transacted during the financial year at a market rate on the day and no contracts are held over the balance date.

**Fair Value**

The carrying values of all balance sheet financial assets and liabilities are considered to be equivalent to their fair market values.

**Credit Risk**

Financial instruments, which potentially subject the Group to credit risk, consist of cash and short-term bank deposits and accounts receivable. The maximum exposure to credit risk is the carrying value of these financial instruments.

The Group makes investments with the ANZ Banking Group New Zealand and Bank of New Zealand. The credit risk with respect to accounts receivable is limited due to the number of debtors.

**Interest Rate and Currency Risk**

While the majority of the Group's activities are carried out in New Zealand, of the total expenditure incurred by the Group approximately 12% were denominated in foreign currency.

At balance date, there are no foreign currency deposits (2022: nil). The notional or principal contract amounts of foreign exchange instruments at balance date for the parent and group for forward exchange contracts was nil (2022: \$nil). The unrealised gain/loss on these contracts at balance date is nil (2022: nil). All deposits held by the Group are short term in nature. The Group receives interest at current market rates.

**10. Board and Directors' Fees and Related Expenses**

These expenses cover amounts paid to Board Members and Directors in the form of honoraria, attendance fees for board meetings and other special meetings that may arise from time to time. It also covers the cost of travel for Board Members and Directors incurred in fulfilling their respective roles.

The annual fees and honoraria for Deer Industry New Zealand Board Members are; the Chairman receives \$49,833, the Chairman of the Audit & Risk Committee \$27,050, Audit & Risk Committee members receive \$26,550 and the remaining Board Members \$25,550. The Board comprises eight members.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

In the 2023 year, the Parent's Directors' fees totalled \$235,644 (2022: \$207,275). The Parent also incurred Directors' expenses of \$55,736 (2022: \$93,608) - which comprised of travel, accommodation and sundry expenses (2022: \$61,376 and \$32,232 for strategy development).

From 1 July 2023 Patrick Boyd replaced Kris Orange as director.

**Cervena Trust Limited**

Directors fees were not paid for meetings for the year ending 30 September 2023 (2022: nil). Travel expenses were nil (2022: nil).

**11. Equity**

The equity of the Group is \$3,960,000 (2022: \$3,680,000), of which \$2,249,000 (2022: \$1,785,000) is held by the Deer Industry New Zealand Research Trust.

**Deer Industry New Zealand (Parent)**

	<b>2023</b>	<b>2022</b>
	<b>\$,000</b>	<b>\$,000</b>
Opening Balance	1,894	1,992
Surplus attributable to Deer Industry New Zealand	(183)	(98)
<b>Closing Balance</b>	<b>1,711</b>	<b>1,894</b>

**Deer Industry New Zealand Research Trust**

	<b>2023</b>	<b>2022</b>
	<b>\$,000</b>	<b>\$,000</b>
Opening Balance	1,785	1,434
Surplus attributable to Deer Industry New Zealand Research Trust	464	351
<b>Closing Balance</b>	<b>2,249</b>	<b>1,785</b>

**PGgRc (Joint Venture 1.28% share)**

	<b>2023</b>	<b>2022</b>
	<b>\$,000</b>	<b>\$,000</b>
Opening Balance	1	17
(Deficit) attributable to Deer Industry New Zealand PGgRc	(1)	(16)
<b>Closing Balance</b>	<b>0</b>	<b>1</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

### 12. Related Parties

Deer Industry New Zealand provided \$21,000 for the year to the Pastoral Greenhouse Gas Research Consortium (2022: nil).

Deer Industry New Zealand provided a research grant to the Deer Industry New Zealand Research Trust of \$960,000 (2022: \$867,000).

An operational grant of \$3k (2022: \$20k) was provided from Deer Industry New Zealand to Cervena Trust Limited.

Deer Industry New Zealand has provided a commitment to continue to support Cervena Trust Limited and Cervena Trust for the foreseeable future.

Payments are made to fund joint promotional activities to venison processing companies who have directors, officers or shareholders who are also board members of Deer Industry New Zealand.

As part of the annual budget setting process, the Board is responsible for allocating the total pool of funds to be spent on joint promotion, which is then subject to industry consultation. This pool is allocated to venison processing companies based on a formal allocation policy administered by Deer Industry New Zealand management. As such, the Deer Industry New Zealand board has no influence on the allocation of these funds to venison companies.

Deer Industry New Zealand provided funding to OSPRI New Zealand Limited of \$1.065 million (2022: \$1.186 million).

At balance date Deer Industry New Zealand owed OSPRI New Zealand Limited \$205k (2022: \$111k) which is included as an accrual. OSPRI owe Deer Industry New Zealand \$117k following the finalisation of each sectors TB expenditure for the June 2022 Ospri financial year (2022: nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

**13. Veltrak Tags**

Industry Capability and QA expense includes the purchase of Veltrak Tags.

During the year, 500k electronic Veltrak tags were purchased (2022: 500k tags). 395k tags were sold for \$134k (2022: 324k tags sold for \$110k). The cost of these tags was \$248k (2022: \$163k), a net cost to Deer Industry New Zealand of \$114k (2022: 53k).

At 30 September, there are 443k tags on hand valued at \$151k available for distribution (2022: 339k on hand valued at \$115k). These have been revalued to the lower of cost or net realisable value.

**14. Commitments****Rent**

Commitments in respect of non-cancellable operating leases for rental of office premises are as follows:

	Parent & Consolidated	Parent & Consolidated
	2023 \$,000	2022 \$,000
Not later than 1 year	63	40
Later than 1 year and not later than 2 years	65	-
Later than 2 years and not later than 5 years	207	-
Later than 5 years	37	-

**TBfree**

Commitments in respect of funding entered into by Deer Industry New Zealand for the National Bovine Tuberculosis Pest Management Strategy with the TBfree are as follows:

	2023 \$,000	2022 \$,000
Not later than 1 year	1,031	1,104
Later than 1 year and not later than 2 years	1,031	1,104
Later than 2 years and not later than 5 years	773	1,932
Later than 5 years	-	-

**P2P (included under Industry capability and QA)**

This 7-year programme (2015 to 2022) has been named Passion2Profit (P2P) to reflect the transition from an industry established through a passion for deer and venison to an industry also focused on greater profits. P2P is co-funded by the government's Primary Growth Partnership (PGP) up to a figure of \$7.4m.

P2P was made up of two interlinked projects:

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

- Marketing premium venison
- Market-led production

These projects aim to correct the mismatch between venison production and demand in traditional markets, while progressively developing new markets that demand quality venison at chilled prices all year round.

The P2P Primary Growth Partnership contract ended on 30 September 2022. The final year of the programme included wrap up of the programme's projects and final report.

### Subsidiaries

Deer Industry New Zealand has provided a commitment to continue to support Cervena Trust Limited and Cervena Trust for the foreseeable future.

### 15. Contingencies

Deer Industry New Zealand's associated entity Pastoral Greenhouse Gas Research Consortium current holding is 1.28% (2022: 1.28%).

DINZ has unconditional guarantees to the other partners in the PGGRC unincorporated joint venture which:

- a. guarantee the due performance and observance of the guaranteed obligations by its subsidiary companies; and
- b. indemnify against any loss or damage due to any breach of the unincorporated joint venture agreements by its subsidiary companies. No claims have been made.

### 16. Subsequent Events

There were no material events subsequent to the balance date requiring disclosure in the financial statements (2022: nil).



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF THE DEER INDUSTRY NEW ZEALAND AND GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Auditor-General is the auditor of Deer Industry New Zealand (the 'Parent') and its controlled entities (collectively referred to as the 'Group'). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of Deer Industry New Zealand and Group on his behalf.

#### Opinion

We have audited the Parent and Group financial statements of Deer Industry New Zealand and Group on pages 1 to 20, that comprise the Parent and Group statement of financial position as at 30 September 2023, the Parent and Group statement of comprehensive revenue and expense, the Parent and Group statement of changes in equity and the Parent and Group cashflow statement for the year ended on that date and the notes to the Parent and Group financial statements that include accounting policies and other explanatory information.

In our opinion:

- the financial statements of Deer Industry New Zealand Parent and Group:
  - present fairly, in all material respects:
    - its financial position as at 30 September 2023; and
    - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 23 November 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the Parent and Group financial statements, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board of Directors for the Parent and Group financial statements

The Board of Directors are responsible on behalf of Deer Industry New Zealand and Group for preparing the Parent and Group financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.





The Board of Directors are responsible for such internal control as they determine is necessary to enable the preparation of the Parent and Group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent and Group financial statements, the Board of Directors are responsible on behalf of Deer Industry New Zealand and Group for assessing Deer Industry New Zealand and Group's ability to continue as a going concern. The Board of Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intend to wind-up the Trust or to cease operations, or have no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Primary Products Marketing Act 1953.

### **Responsibilities of the auditor for the audit of the Parent and Group financial statements**

Our objectives are to obtain reasonable assurance about whether the Parent and Group financial statements, as a whole, 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these Parent and Group financial statements.

We did not evaluate the security and controls over the electronic publication of the Parent and Group financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the Parent and Group financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Deer Industry New Zealand and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Deer Industry New Zealand and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent and Group financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Deer Industry New Zealand and Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the Parent and Group financial statements, including the disclosures, and whether the Parent and Group



financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the Parent and Group financial statements of the entities or business activities within the Group to express an opinion on the Parent and Group financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Independence**

We are independent of the Deer Industry New Zealand and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Deer Industry New Zealand and Group.

A handwritten signature in blue ink, appearing to read "Hamish Anton".

Hamish Anton  
Deloitte Limited  
On behalf of the Auditor-General  
Wellington, New Zealand  
23 November 2023

# BOARD MEMBERS

## APPOINTED BY THE NEW ZEALAND DEER FARMERS' ASSOCIATION



### 1. MANDY BELL

Director and shareholder of Criffel Station, AgilisNZ Ltd, AgResourced Ltd, Criffel Water Ltd | Shareholder of Alliance Group Limited, Ballance

### 2. HAMISH FRASER

Partner and Officer of Venator New Zealand Limited Partnership, Fraser Deer Limited Partnership



### 3. PADDY BOYD

Manager of Haldon Station

### 4. JACQUELINE ROWARTH

Director of DairyNZ, Director of Ravensdown, Shareholder and director of Oraka Farming, Adjunct Professor of Lincoln University



### 5. HAMISH GLENDINNING

Board Observer

## ELECTED BY VENISON MARKETERS AND PROCESSORS



### 6. GERARD HICKEY

Officer of Firstlight Foods | Shareholder of Firstlight Foods

### 7. NIGEL JONES

Officer of Alliance Group Limited



### 8. DAVE COURTNEY

Officer of Silver Fern Farms

## ELECTED BY VELVET MARKETERS AND PROCESSORS



### 9. TONY COCHRANE

Officer PGG Wrightson Ltd | Director and Shareholder of Green Antler Ltd | Shareholder of Farmlands



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154 Featherston Street, Wellington 6011

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND DIRECTORS

Deer Industry New Zealand indemnifies all directors named in this report, and current executive directors of the Group against all liabilities (other than to Deer Industry New Zealand or members of the Group) which arise out of the performance of their normal duties as director or executive officer, unless the liability relates to conduct involving lack of good faith and dereliction of health and safety duties. To manage this risk, the Group has Association Liability insurance.