



ANNUAL REPORT

2021



vision

A vibrant plant production industry widely respected for its professionalism, innovation and major contribution to New Zealand

mission

To support our members by working to create a positive industry profile and business environment



New Zealand Plant Producers Incorporated

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Chairman's *Report*

The consistent membership expansion NZPPI is achieving as an organisation is very pleasing. This expansion provides confirmation that we are continuing to provide value to our members and continues to add weight to our discussions with other industry bodies and the Government.

Most sectors within NZPPI are experiencing an increasing demand for plants. This growth in revenue and increasing number of members has improved NZPPI's financial stability but we are now reaching a period where the added cost of the issues we need to tackle will be a challenge for the organisation going forward.

We appear to have landed at a position of being a genuine primary industry body. Although we lack the scale of organisations such as Hort NZ, NZ Beef and Lamb, and Dairy NZ the awareness of our contribution to the national cause has vastly improved. This has been confirmed by how well we have fared through COVID-19 with favourable trading conditions being preserved for most of our members. That said we appreciate the operational difficulties of our colleagues in Auckland. Our thoughts are with you, and we will continue to support you through these challenging times.



Many Members are struggling to find labour as COVID-19 continues to influence the supply of RSE workers and those travelling on temporary visas. These sources of labour have previously reliably made up a significant chunk of the workforce. It is difficult to know when or how this issue will be resolved and is a source of concern going forward. NZPPI will continue to lobby to the Government on behalf of its members to ensure their concerns are heard.

My thanks to the NZPPI Board for their time this year. We recently engaged the Institute of Directors to undertake a review of the board who canvassed many of the retiring members plus all the current sitting members. Outcomes were generally positive with recommendations to improve succession planning and establish subcommittees to cover compliance, risk, and remuneration.

It is important to signal a likely transition to a fairly remunerated Board to ensure we continue to attract talent and advance the organisations development. Our members continue to provide the Board with a depth of skills and knowledge to provide effective governance.

Legislative changes are on the horizon and will undoubtedly provide challenges for the foreseeable future.

Managing the risk of biosecurity generated trading issues remains a threat to the industry and requires constant vigilance and Biosecurity management plans are likely to be mandatory in the future. NZPPI has agreed to provide management services to Plant Producers Biosecurity Scheme (PPBS), allowing us to be actively involved and provide regular feedback to our members.

Other changes we will need to keep abreast of will be the development of the Waste Minimisation Act, regulating plastics usage and compostable waste that is currently finding its way to landfill.

Greenhouse Gas policies will have an impact on how we operate plant production. However, in general, the plant production sector is relatively low on CO₂ emissions and isn't a large producer of methane. We expect to move through these challenges without major disruption to most plant producers. That said, all businesses will face a requirement to manage their environmental footprints in a responsible way.

A spotlight on Nitrates will have some effect on plant producers but not every production system will have issues.

I would like to take the opportunity to wish all our members of both plant producers and industry partners best of luck for the coming year and thank you all for supporting NZPPI.



Mike Simpson
September 2021



Our industry *at a glance*

By working together our members will ensure that our industry has a strong future.

Our industry is in a phase of sustained growth. At the same time there is increasing unity and we are investing in industry development. There is a new generation of young people starting their careers in plant production. This is a once in a generation opportunity.



301 NZPPI members
111 Plant Producers
190 Industry Partners



32 Increase in membership
19 New plant producer members
13 New industry partners



7.5% The rate of industry growth in 2020
7.0% Average year on year growth
450 million Plants produced in NZ



650
The number of plant production enterprises, of which 350 are full time



93%
The portion of plant production enterprises that are owner operated



4000
People employed in the industry



1250
New workers required over the next 5 years...



8000
The estimated number of people studying horticulture or related subjects in schools, institutions or online.



157 ha
The area of covered and indoor plant production



65.9%
Female workers in the sector (Up 10% since 2003)



562
are required to fill skilled roles

NZ Plant Producers Inc

strategy review



Some of the things we heard were:

- 1.** Building a workforce for the future. Attracting and training the best and brightest into our industry, building talent and a new generation of technical experts, managers and leaders.
- 2.** Being the solution to NZ's environmental, health & wellbeing challenges, while continuing to deal with energy, waste, and water use efficiency in our own industry.
- 3.** Continuing to build our capability through innovation, improving plant health and managing biosecurity. At the same time our members see opportunity in digital technology and improving the plants supply chain.
- 4.** Influencing by getting around decision making tables and gaining recognition and respect of our industry with Government, industry, Māori and the community.
- 5.** Providing valuable services that will gain and retain Members, including industry insights, bringing our members together through exciting events and conferences and providing supply chain solutions like plant trolleys.

NZ Plant Producers is now five years old.

The initial NZPPI 5 Year Strategy expired during 2020, providing an opportunity to reflect on our progress and to ask our members and stakeholders to help us identify the strategic priorities over the coming three years.

During 2021 we have been speaking with our members at our industry meetings and up their driveways to understand the opportunities ahead and challenges that they face, asking what their industry association can do to support them.

Our strategy 2021-2026

Industry Vision

A thriving plant production industry widely respected for its professionalism, innovation and major contribution to New Zealand

Our Purpose

We achieve this by enabling our members to operate sustainable, productive businesses

ACHIEVING EXCELLENCE



OUR PEOPLE

Attracting and developing people
 Creating opportunities for training & education
 Supporting safer workplaces
 Developing our future leaders



ENVIRONMENTAL SUSTAINABILITY

Access to water & land
 Dealing with waste & plastics
 Playing our role in NZ's climate change adaptation



PLANT PRODUCTION

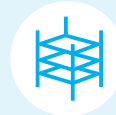
Productivity & innovation initiatives
 Plant health & biosecurity
 Digital future exploration
 Supply chain initiatives

SUPPORTING OUR INDUSTRY



RELATIONSHIPS & INFLUENCE

Effective influence & advocacy
 Building relationships with Māori
 Working with Government & Primary industry organisations



MEMBER SERVICES

Events and Conferences
 Providing a plant trolley scheme
 Making industry data and stats available to our members
 Business NZ/EMA membership

How We Will Work



Strong connection to our members



Work to unify our industry with a single voice



Build a strong membership and financial base



Work across the primary industries



Support our sectors & special interest groups

Our Values

Collaboration, Agility, Resourcefulness, Resilience, Integrity

Industry context

Plant production is in a period of sustained growth, driven by an almost insatiable demand for plants across the horticulture, viticulture, forestry, indigenous plants, and green life sectors. At an estimated growth rate of 7% per year over the past 3 years, it is among the fastest growing primary industries.

Our industry is coming together and is finally being recognised for its contribution to New Zealand’s success, underpinning the Government’s goals in the areas of health and wellbeing, exports, climate change, regional development, and the environment.

What has been done to date

Our key achievements over the past year include gaining recognition as an essential service (enabling plant survival activities) during the COVID-19 response, signing the Government Industry Agreement (GIA) on biosecurity, the government’s agreement to undertake a strategic review of the plant imports system, publishing the Native Nursery Action Plan and bringing our members together through our successful SHED meetings and industry workshops.

Strategic Priorities

NZPPI is an industry organisation supporting the plant production sector. Our job is to make it easier for our members to:



Have a say in decisions that affect their businesses.



Understand and manage risk.



Get to know and learn from their peers.



Be part of a thriving industry that is valued and respected.



Stay on top of things and adapt to change.



Chief Executive's *Report*

You have to agree that the past year has been an extraordinary time for our industry. While we were focused on how to meet the continuing demand, out of left field came the COVID-19 pandemic and an 18-month cycle of restrictions and lockdowns.

This has been a massively challenging time, but the pandemic has demonstrated the unity and resilience that has been built among the NZPPI membership and the ability to pull together in a crisis.

Despite the impact of the COVID-19 restrictions the way that our members have responded was exemplary. The speed at which we were able to step up our industry safety protocols to protect workers and then pivot to a new operating environment shows the importance of our relationships and the power of working collectively.

Likewise, during lockdown the NZPPI team quickly adapted to working remotely and were able to continue to deliver our work programmes and services without missing a beat.

Even with all this disruption going on, we still had our strategic issues to work on. New policies and regulations continue to flow in from the

Government in areas like plant variety rights, vocational training, climate change, employment laws, which have all needed our focus.

Since the start of the pandemic every one of our members has questioned what the future looks like, as different regions bounced in and out of lockdown and the sectors and customers, we supply suffered their own disruptions and uncertainty. Getting hold of materials and inputs has also been a challenge.

But through this our industry had another successful year continuing the trend of solid, sustained growth over the past 5 years. This success is driven by the success of our customers. Last year saw the wine sector hit a record \$2 billion in sales, horticulture reaching \$6.7 billion and forestry plantings at a 10 year high of 20,000 ha. At the same time the demand for native plants increased by an estimated 20% and Greenlife (garden retail and landscape) increasing by more than 10%. It is unique that every part of our sector is showing growth at the same time.

A key milestone for our industry happened in October when NZPPI formally signed the Government Industry agreement on Biosecurity (GIA) to bring our members into New Zealand's biosecurity system. Being part of GIA is a significant commitment and investment but it gives our members protection and a say in decision making during a biosecurity crisis, which is something that we have not had in the past.

We have also made progress on better telling the story of the importance of our sector to the Government, the primary industries and New Zealand public. Our key message is that without a thriving plant production industry, New Zealand will fail to achieve its goals in food security and exports, the environment and wellbeing. This message has never been more important as we assess the damage and impacts of the COVID-19 lockdowns.

We thank our members that have opened their businesses up for SHED meetings and workshops, including Ambrosia Nursery, Tharfield Nursery, Ormonds Nursery & Appleton's Tree Nursery. It is a big ask to open your gate to allow your peers and (sometimes) competitors into your operation. We also thank those of you that turned up to these events, showing interest and support. This knowledge sharing is a key part of a thriving industry.

During the year we asked you for input into a significant industry development initiative called "Generation - Better Plants for a Better New Zealand" This proposal is for funding of a 3-year programme of work to invest the future of our industry. It will provide an injection of funding from the Government to accelerate our work in the areas of science, workforce and knowledge.

Looking ahead, we can hopefully move past COVID-19 and once again bring you together as an industry and our members to connect with each other and to deal with the opportunities and challenges for our sector. Look out for our annual conference, SHED meetings and workshops.

We continue to work with Government to drive improvements in the plant imports system and we are pleased to see that significant progress has been made.

We are also asking for better funding arrangements and planning for native planting projects and recognition of the Native Plants Industry.

Biosecurity will continue to be a major issue in the plant production industry as it is overseas. There are a number of biosecurity management plans on the horizon and we are working to build the systems and processes to enable you to meet these standards in a way that improves your business.

Our sector is in as good a position to respond to these challenges and NZPPI is building tools and resources to help you adapt to this new world.

We are 5 years old and have just updated our strategy. We're looking forward to releasing this at our AGM on 21st October and hearing you about your needs and priorities, and how we can deal with these through our strategy.

Our membership is increasing year on year, as is the size and capability of the NZPPI team. This is giving us confidence that NZPPI is playing a crucial role for our members and our industry, especially in partnership with the Government and other primary sector organisations, and we're keen to continue that work on your behalf.

I would like to thank the NZPPI team, who turn up every day with energy and passion to support you. Also, to the Board and Special Interest Groups that commit their time and know how to ensure that NZPPI is a success.



Matthew Dolan
September 2021





Biosecurity & Technical Manager's Report

The year to March 2021 was a busy one for biosecurity, with six incursions notified to plant producers.

Tomato red spider mite (TRSM - *Tetranychus evansii*) was detected close to Auckland airport in May 2020. Some of our members were involved in a delimiting survey, as MPI sought to understand the extent of spread of this destructive mite. TRSM was found in eight sites across Auckland and MPI made the decision it would be unfeasible to eradicate.



Tomato Red Spider Mite. Photo Credit: HortiDaily

Following hot on the heels of the mite detection, two new regulated fungal pathogens were detected in houseplant species: the rust *Puccinia paullula* was found on Monstera foliage in July 2020, and then the anthracnose *Colletotrichum orchidearum* was found in imported Hoya plants in August 2020. The batches of both houseplant species were destroyed.

Two new to New Zealand viruses were also notified to plant producers: *Tomato brown rugose fruit virus* (ToBRFV) was detected in an Auckland tomato seedling production greenhouse in December 2020, and successfully eradicated; and *Camellia ringspot associated virus 1* was detected on *Camellia* species in Auckland and Wellington in February 2021. Rounding out the finds, a new to science species of *Liberibacter sp.* was detected in strawberry seedling production fields in Katikati, in January 2021.

NZ Plant Producers is a signatory to the Government Industry Agreement on biosecurity preparedness and response and paid a share of the costs of the incursion investigations for the TRSM and ToBRFV responses.

Plant Production Biosecurity Scheme (now Plant Pass)



NZPPI developed a report on Traceability for the Plant Production sector, as a key document supporting the launch of the PPBS. This is available in Publications on the NZPPI website.

Legislative reviews

NZPPI was involved with two legislative reviews in 2020/2021. The review of the Plant Variety Rights Act 1987 aimed to modernise the regime in relation to the 1991 version of the International Convention for the Protection of New Varieties of Plants (UPOV 91), meeting New Zealand’s obligations under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the CPTPP) as well as obligations under the Treaty of Waitangi. The Bill had its first reading in May 2021 and is currently in front of the Select Committee.

NZPPI has also been involved in reference group workshops for the review of the Biosecurity Act (1993). We undertook a series of staged workshops to identify the issues with the Act – what’s working well currently and what might need to be updated or enhanced. A public discussion document is due later this year.

Our views were also sought out by the office of the Parliamentary Commissioner for the Environment in October and November 2020, on the ability of existing regulatory instruments to protect New Zealand’s natural environments from the further spread of pest plants.

We recommended the amalgamation of lists of plants banned under the National Pest Plant Accord and lists of plants banned under various Regional Pest Management Plans, bringing them together in a single searchable database.



Plant Imports

NZPPI made a submission to MPI on proposed changes to the import health standard for apples (*Malus*). There are ongoing challenges with offshore accreditation, exacerbated in this time of COVID-19, and it appears unlikely that the Clean Plant Centre Northwest (Washington State University) will be re-accredited as an offshore facility for *Malus* and *Prunus* any time soon. However, the Elizabeth Macarthur Agricultural Institute (EMAI), in Australia, was re-approved for the export of *Citrus* plants for planting to New Zealand in January 2021.



Kathryn Hurr

Kathryn Hurr,
Biosecurity and Technical
Manager, September 2021





Native Nursery Special Interest Group *Report*

The Native Nursery sector continues to go from strength to strength. The drivers for future demand for indigenous plants are coming together driven by strategic national issues like climate change, water quality, infrastructure projects and improving biodiversity.

The Native Nursery SIG has had another successful year, representing and advocating for the sector. Their key focus has been on improving the structure of the industry. We are pleased that government has listened to our calls for better coordination and has established the Cross Government Native Nursery Working Group to bring together the agencies that fund, grow or buy native seedlings, including DoC, NZTA, Corrections & Regional Councils.

The 1 Billion Trees programme has driven growth in the sector for the past 5 years and has also funded industry development. With 258 million seedlings in the ground in 3 years the programme is hitting its annual targets and Aotearoa New Zealand is easily on track to plant 1 Billion seedlings by 2028. While funding applications are now closed the demand for seedlings from approved grants will continue for years to come.

In the meantime, we are working with Te Uru Rākau to develop the funding models for the next round of projects.

The Climate Change Commission has advised the Government that to meet our international climate change obligations by 2037, Aotearoa New Zealand will need to establish a permanent carbon sink of 1.4 million hectares. Half of this area is to be native species. This is ambitious, requiring a step change in capacity and productivity in the sector.

We have proven that our industry can easily meet the future demand, but the scale and speed of expansion required in the sector will need to be better planned and coordinated. Plant producers need confidence in the stability of the market and better risk management if they are going to invest in the type of growth that will be required. Having their industry shut down during COVID-19 has undone a lot of this confidence.

Looking ahead, we will continue to encourage Te Uru Rākau and other agencies to the table to plan the next phase of growth for the sector. We are recommending a sector strategy that recognises the importance of native plant production to the future of Aotearoa New Zealand and to better support the growth of the sector.



Science Subcommittee

Report

The Science subcommittee made progress on three strategic priorities in the year up to March 2021 in the areas of tools for managing myrtle rust; reducing plastic waste; and knowledge transfer to NZPPI members.

Myrtle rust management

Myrtle rust is here to stay and continues to spread in most North Island regions. In the South Island, it has established further south than initially expected. Key factors in its spread are wind, host susceptibility, host density and climatic suitability. Dr. Robert Beresford (Plant & Food Research) has developed a climate model for myrtle rust, based on climatic factors leading to infection and symptom expression. Partnering with Rob and HortPlus, NZPPI is developing an online decision support tool that will help plant producers better manage myrtle rust in the nursery and reduce the potential for spread via the nursery stock pathway. The tool will help identify the best dates to apply preventative fungicide sprays or take other non-chemical management decisions. The tool will be available through the NZPPI website ahead of the 2021/22 summer season, along with interpretive guidance and updated protocols for chemical control and non-chemical control methods.

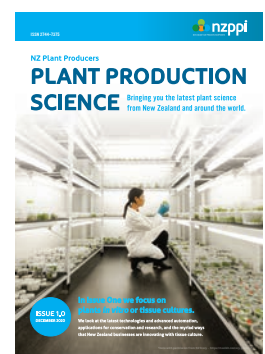
Reducing plastic waste

Sustainable plant production is a key priority and the committee have a particular focus on recycling and reducing plastic waste to landfill. The government has announced that horticultural plastics are a priority product and stewardship management programmes will need to be developed over the next few years to ensure polypropylene plastic is recycled and reused.

The Australian industry started work on an industry-led national recycling program for plastic pots and tags last year and NZPPI is now part of the Steering Committee which is informing the development of the scheme. We hope to learn from their approach as government and industry come together to develop a scheme for New Zealand.

Plant Production Science publication

A strategic priority in the Science & Innovation strategy is the knowledge transfer of the latest and most relevant science to NZPPI members. NZPPI has developed a new publication to do just that and helps us engage our sector with science providers, local and central government, members, other industry bodies and the general public. The first issue in December 2020 focused on the opportunities for tissue culture in New Zealand. It showcased several NZPPI businesses and a range of different applications for tissue culture plants in New Zealand, as well as the very latest in technology automation and science around the world.





Workforce Capability *Report*

Over the past 20 years, our industry has become reliant on highly skilled overseas workers to undertake a range of jobs in propagation, management, and mentoring/training of kiwi staff members. These skills have not been readily trained, taught, or invested in nurseries throughout Aotearoa New Zealand due to the availability of skilled overseas workers.

The workforce capability has been a new addition to the NZ Plant Producers team, and one that will continue to evolve. Boarder closures due to COVID-19 increased the need for skilled training, investment for kiwis and promotion of career opportunities in the plant production industry, due to a skilled worker shortage.

NZ Plant Producers took this challenge head on with the new hire of a People Capability Advisor – Alice Schofield. With this capability, we have been able to invest in workforce research, initiatives to attract, upskill and encourage people in the industry and stay connected with the changing nature of education within New Zealand.

From November 2020 up until March 2021 NZ Plant Producers took part in the following workforce activities:

Opportunity Grows Here

Opportunity Grows Here is a Ministry of Primary Industries initiative to shed light on the career opportunities, training, and overall message to primary industries in New Zealand. NZ Plant Producers put Plant Production on the map and created a Plant Production page that gives kiwis the ability to have insight into differing roles, training and a clearer picture of the industry in New Zealand.

<https://www.opportunitygrowshere.nz/plant-production/>

Grow Ōtautahi

Grow Ōtautahi is the Christchurch Garden Festival, aimed to promote the different aspects of gardening, horticulture and landscaping within New Zealand. NZ Plant Producers attended the festival with Primary ITO, and GoHort with the objective to promote job opportunities within plant production and horticulture in Aotearoa New Zealand. We engaged with over 500 people ranging from career changers to school aged students.

Industry Social Event

We held our first industry social event in Ōtautahi, Christchurch to create networking opportunities between the young employees within the industry. This event brought together employees and employers from nurseries in Ōtautahi Christchurch, over some nibbles and drinks at a local bar. Primary ITO also attended this event to engage with those that were enrolled in the apprenticeship programme and those that were looking to start. This event was a success and something that we are looking to bring to other regions around Aotearoa New Zealand.

Rotorua Careers Expo

The Rotorua Careers Expo gave over 4000 students exposure to the industry in Aotearoa, New Zealand. This exposure was enlightening to teach students about the importance of plant production, and for them to understand the different opportunities and roles that make up the industry. On our stand we developed employee profiles from across the industry and had educational promotion from Lincoln University, Massey University, Open Polytechnic, Primary ITO and Florida University Online Courses. Attending this expo opened up discussions with Toi Ohomai Institute of Technology, Forestry Careers NZ, Forest Industry Contractors Association, NZKGI, NMIT, and nursery owners within Rotorua. For the students we had a biosecurity quiz, that put them in the draw to win a \$50.00 Palmers voucher, and guess the native plant which helped to engage students.

Grow the plants that grow New Zealand

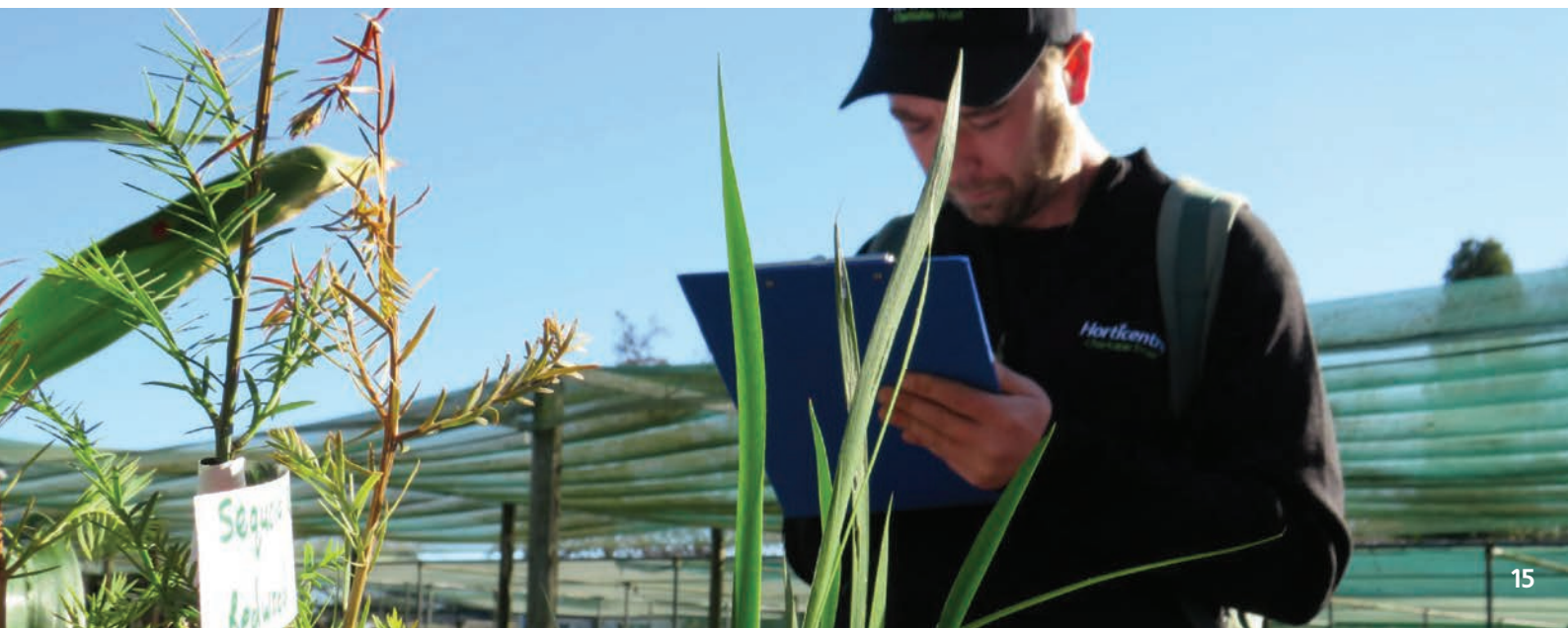
Creating a slogan that encompasses the future image for industry. This slogan was designed to at first appear on our workforce flyers which were handed out at both Grow Ōtautahi and the Rotorua Careers Expo.

Immigration Liaising

Our connection with Immigration New Zealand began when NZ Plant Producers submitted a proposal to Ministry of Primary Industries for the allowance of overseas workers to work for the plant production industry over the 2020/21 summer period. We then discussed with immigration, around appropriate visa applications and regulations during this time. Submitting a report with identified workers, helped the case for the plant production industry.

2021 Labour Survey

This survey asks members about their needs for labour, skills, and training. Responses were received from 52 businesses employing a total of 2253 workers. The respondents are representative of NZ Plant Producers membership groups, sectors, and geographic spread. We structured this survey into three themes; general business, recruitment, and training. These themes gave insight into the location and sector variety, staff size, variety of roles members are looking to recruit for 2021, their engagement in training providers and training their staff, as well as their recruitment practices.





Trolley Subcommittee *Report*

The Plant Trolley scheme continues to grow and our members report that it is one of the key parts of NZPPI's value to our members and the industry.

The demand for trolleys continues to rise and over the past three years the scheme introduced more than 1500 new trolleys to the fleet, including 660 new units this year to meet this demand. This growth is set to continue and we have begun a significant programme of work to grow and improve the scheme over the coming years.

In addition to the new trolleys, we have embarked on a programme of work to upgrade and improve the existing fleet. This has resulted in over 500 trolleys being upgraded, with new castors, shelves and posts.

We are about to launch a significant project to reboot the trolley scheme, which includes upgrading our administration and management systems. This will reduce costs and make it easier for trolley users to initiate and manage trolley hires.

Special thanks goes out to the members of the Trolley Special Interest Group who commit their time and know how to drive the success of the scheme.



PlantPASS Biosecurity Assurance Scheme

Report

Biosecurity New Zealand, New Zealand Plant Producers Incorporated, horticulture and forestry sectors, the Department of Conservation and regional councils have worked together since 2018 to develop the Plant Production Biosecurity Scheme (PlantPASS).

PlantPASS is a voluntary certification scheme designed to reduce risks associated with the plant production pathway (the nursery trade). It is designed to protect the producer, their customers, the environment and the New Zealand economy.

Under PlantPASS, certified plant producers must demonstrate their production is undertaken under conditions of strong biosecurity risk and hazard management. In doing so, they provide assurance their plants have been raised in conditions that minimise the introduction and spread of pests and pathogens. These assurances are achieved through independent audits.

The scheme is comprised of a certification process based around a "Core Standard" applicable across all plant producers, with supplementary specific "Modules" that deal with pest- or sector- specific risks (e.g. Myrtle Rust Module).

PlantPASS has been developed, piloted, refined and will be officially launched and open to all plant producers in early 2022.

Funding to run the PlantPASS will come from government and plant industries, as well as participating plant producers.

The goal is to have at least 175 nurseries participate in the scheme in its first five years.

The Plant Buyers' Accord

PlantPASS is a voluntary scheme that will require many plant producers to change their infrastructure and practices to meet the standards for certification. Therefore, it is not realistic to expect that a large proportion of the industry will engage with the scheme on the basis of its merits alone. To address this issue, work has been progressed to provide incentives sufficient to motivate the majority of plant producers to become certified. PlantPASS partners consider this incentivisation essential for successful uptake of PlantPASS.

The Plant Buyers' Accord (the Accord) has been developed by organisations with an ability to influence plant purchase decisions and signal their expectation to suppliers that plant producers should become certified. The potential signatories all want high biosecurity standards and will use their funding and influence to incentivise it. The Accord is non-binding and signatories will be free to review and modify it as a group.



Government Industry Agreement (GIA)

In December 2020 the Minister for Biosecurity, Hon Damien O'Connor approved our application to join the Government Industry Agreement on Biosecurity (GIA).

This was a significant step for NZPPI and our members as it formalised our relationship with the Crown and other primary industries in the critical area of biosecurity readiness and response. This is an important risk management measure that is critical to all plant production businesses.

Joining GIA gives us a seat at the table when decisions are made during a biosecurity crisis. It also enables us to partner with the other GIA partners to prepare for future incursions, sharing our know-how and the cost.

Our GIA arrangements only include NZPPI Members. Non-members are defined as 'Non Signatory Beneficiaries' and sit largely outside the system, generally represented by the Crown. We will continue to encourage non-members to join NZPPI to participate in GIA, while at the same time highlighting the contribution made by NZPPI members.



Agreements for biosecurity activities within GIA are contained in legally binding Operational Agreements (OAs) that are negotiated and signed by Government and industry groups. These agreements state what will happen and the share that each sector will pay.

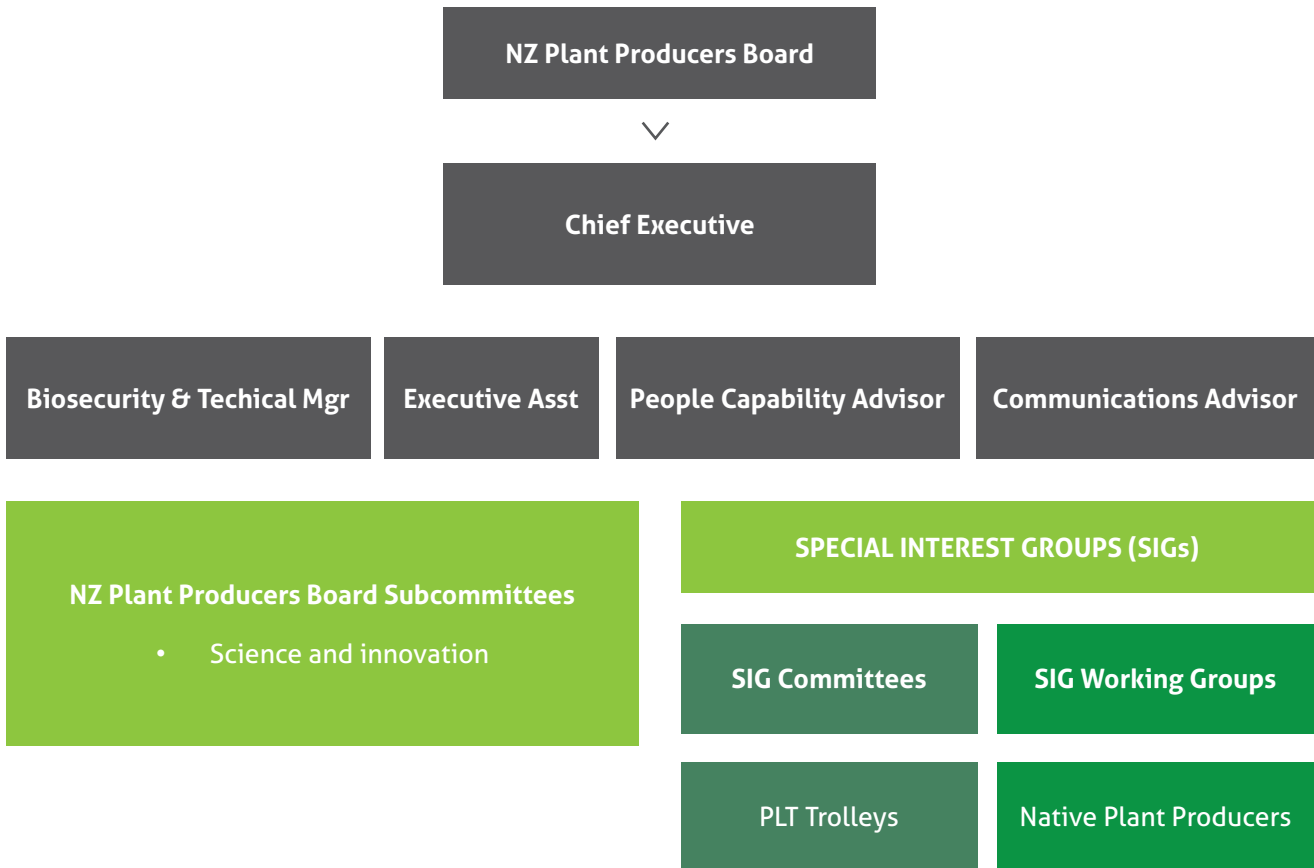
Entering OA's is voluntary and when negotiating these agreements, we work with the members in the affected sector to ensure that they are aware of our work and have the opportunity to provide input. This includes producers of native and exotic (ornamental) species as these species can also be affected by the same diseases as agricultural & horticultural crops.

NZ Plant Producers is currently involved in the following OA's:

OPERATIONAL AGREEMENT	PARTNERS	COST SHARE		TOTAL COST FY22	NZPPI SHARE
		Crown	Industry		
PPBS (readiness)	NZPPI KVH NZ Winegrowers FOA CitrusNZ NZ Avocado	80%	20%	\$280k	\$28,000
Xylella Response Plan (readiness)	NZ Winegrowers NZPPI KVH SummerfruitNZ CitrusNZ NZ Avocado NZ Apples & Pears	50%	50%	\$50k	\$2000
Tomato Brown Rugose Fruit Virus (response)	Tomatoes NZ NZPPI Vegetables NZ NZ Grain & Seed HortNZ Vegetables NZ Potatoes NZ	50%	50%	\$100k	\$1000
Tomato Red Spider Mite (response)	Tomatoes NZ NZPPI Vegetables NZ NZ Grain & Seed Process Vegetables Vegetables NZ Potatoes NZ	52%	48%	\$60k	\$1700
Pepino Mosaic Virus (response)	Tomatoes NZ NZPPI Vegetables NZ NZ Grain & Seed Process Vegetables	55%	45%	\$200k	\$5000
Vegetable multi sector readiness plan (proposed)	Vegetables NZ with multiple other vegetable crops. NZPPI has been identified as a possible signatory.	TBA		-	-

NZ Plant Producers Inc

Structure 2020-2021



NZPPI STAFF

Matthew Dolan, Chief Executive
Kathryn Hurr, Biosecurity and Technical Manager
Alice Schofield, People Capability Advisor
Alix Walles, Executive Assistant

BOARD MEMBERS

Mike Simpson, Board Chairman
Marie Taylor, Board Member
Landscape, Amenity and Revegetation Sector
Kara Beaumont, Board Member
Landscape Sector
Steve Burton, Board Member
Food Sector
Cliff Scott, Board Member
Retail Sector

NZ Plant Producers Board and Staff 2020/21

Mike Simpson
Waimea Nurseries
Independent chair
e: mike@waimeanurseries.co.nz
p: 027 446 7804

Marie Taylor
Plant Hawke's Bay
 Representing producers of native plants
e: planthawkesbay@xtra.co.nz
p: 027 442 4536

Cliff Scott
Growing Spectrum
 Representing producers selling to retailers or home gardeners.
e: cliff@growingspectrum.co.nz
p: 021 995 464

Steve Burton
Annton Nursery
 Representing producers supplying food crops (vegetables, berries, tomatoes but excl. orchards & vineyards)
e: steve@anntonnurseries.co.nz
p: 027 275 8874

Kara Beaumont
Ardmore Nurseries
 Co-opted board member representing producers supplying landscapes
e: kara@ardmorenurseries.co.nz
p: 027 411 9609

NZ PLANT PRODUCERS EXECUTIVE PERSONNEL

Chief Executive, Matthew Dolan
 Executive Assistant, Alix Walles
 Biosecurity and Technical Manager, Kathryn Hurr
 People Capability Advisor, Alice Schofield

REGISTERED OFFICE

Level 5, Featherston Tower
 23 Waring Taylor Street
 Wellington
 Phone: 04 918 3511
 Email: office@nzppi.co.nz
 Website:
www.nzppi.co.nz
www.gogardening.co.nz
www.plantcareers.co.nz
www.youngachiever.co.nz
www.plantpass.org.nz

LIFE MEMBERS

Stan Palmer 1982
 David Goudie 1989
 Don Liddle 1994
 Mark Dean 2000
 Keith Lowe 2004
 Athol McCully 2004
 Peter Tayler 2007
 Peter Pattullo 2008
 Peter and Carol Fraser 2020

OTHERS

Solicitors: Morrison Kent
 Auditor: Moore Markhan
 Bank: Westpac
 Accountant: BDO

2020 Annual General Meeting *Minutes*

Minutes of the Annual General Meeting of The New Zealand Plant Producers Incorporated



Tuesday 20 October 2020, 10am
Wellington Museum & Online
via Zoom

Welcome

Mike Simpson presented an opening address and welcomed members and guests,

Present – in Wellington:

Mike Simpson (Chair), Matthew Dolan (CE), Marie Taylor (Board) and the NZPPI Executive Office

Present via Zoom:

17 Members (1 retail, 16 producer members)

Proxy Votes:

Held by Mike Simpson:

- Vince Wylaars (Zealandia)
- Peter Tayler (Rainbow Park)
- Mark McCrae (Container Nurseries)
- John Perry (Southern Woods)

Held by Geoff Thorpe:

- Ben Wickham (Ormond Nurseries)

Held by Marie Taylor:

- Lana Hope (Native Garden Nurseries)

A quorum is reached

Apologies

- Vince Wylaars (Zealandia)
- Andrew Tayler (Rainbow Park)
- Peter Tayler (Rainbow Park)
- Paul Clark (Clarks Nurseries)
- Lana Hope (Native Garden Nurseries)
- John Perry (Southern Woods Nursery)
- Ben Wickham (Ormond Nurseries)
- Robert Mark McCrae (Container Nurseries)
- Philip Smith (Totara Glen)

Accepted (M Taylor / G Thorpe)

Media Present

- Des Snell (Commercial Horticulture)

Minutes of Previous AGM - 18 September 2019**Motion****(M Simpson / S Johnson)**

That the minutes of the previous AGM are a true and correct record.

Passed

Previous minutes are signed by M Simpson

- Matters arising from the previous minutes – None.

Chair and CE Reports**Motion (M Simpson / J Holloway).**

That the NZPPI Annual Report for the year ended 31 March, 2020 is adopted.

Passed

SIG Reports

- Taken as read

Financial Report

- Matt Dolan presented the financial report for the 2019/20 financial year.
- gift card liability is discussed and clarified.
- It was noted that there is more information on the financial situation in the BDO Summary, and concerned members are instructed to contact MD to receive the information.

Motion (M Simpson / M Taylor).

That the Financial Report and Financial Statements for the financial year ended 31 March 2020 are adopted.

Passed

Appointment of Auditor**Motion**

That Grant Thornton are appointed as Group Auditors for the 2021 financial year.

Not resolved

Motion (C Hughes / M Simpson)

That the NZPPI Board is to resolve on the appointment of an auditor for the 2021 Financial Year.

Resolved

Life Member Awards

- Peter Fraser is appointed as a Life Member of the plant production industry, recognising his industry contribution and impact in Governance roles during his time on the industry Board.
- Carol Fraser is appointed as a Life Member of the plant production industry, recognising her contribution to education and the development of young people in the industry.

Valedictories

- Inger Davies

Board Elections

- Mike Simpson was appointed Chair in May 2019.
- Greg Kitson resigned from his Board position, representing the Retail Sector in September 2020.
- Kara Beaumont has been appointed as an independent Board Member by a vote of the Board on 13 October 2020.
- Board rotation policy requires two Board members to retire each year. These members may stand for re-election. This year Geoff Thorpe (Fruit & Vines) and Marie Taylor (Landscape & Revegetation) were re elected unopposed following a call for nominations in February 2020.
- As no other nominations for these sectors were received, Geoff & Marie were duly elected to their respective seats.

Notice of Motion

- None

General Business

- M Dolan provided a presentation on the Generation Project
- M Simpson states this is a fantastic opportunity for growth, providing not only funding but recognition of the nursery industry at government level. This is met with general approval and encouragement by members.

The meeting concluded at 11.30am

New Zealand Plant Producers Incorporated

Consolidated Statement of Financial Performance

For the year ended 31 March 2021

	Note	2021 \$	2020 \$
Revenue			
GG magazine revenue		280,546	263,607
Gift cards & voucher revenue	3	39,639	80,352
Grant revenue		96,403	127,500
Membership revenue		724,761	636,252
Trolley leases & maintenance revenue	4	238,531	226,419
Conference revenue		-	52,235
Investment surplus/(loss)	5	12,287	(9,021)
COVID-19 wage subsidy		21,089	-
Donations received		11,000	-
Other revenue		9,317	37,070
Total Revenue		1,433,572	1,414,414
Expenses			
GG magazine expenditure		(229,342)	(235,467)
Gift cards & voucher expenditure	3	(17,771)	(32,032)
Trolley programme expenditure	4	(170,714)	(97,107)
Engagement expenditure	6	(11,635)	(66,747)
Grant expenditure	6	(117,102)	(119,075)
Influence expenditure	6	(60,010)	(59,511)
Other services expenditure		(3,522)	(40,737)
Toolbox expenditure	6	(13,752)	(23,838)
Operating expenditure	7	(812,648)	(783,233)
Total operating expenses		(1,436,495)	(1,457,746)
Net Surplus/(Deficit) Before Tax		(2,923)	(43,332)
Income tax expense	8	-	-
Total Surplus/(Deficit) for the Year		\$(2,923)	\$(43,332)

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Consolidated Statement of Accumulated Funds

For the year ended 31 March 2021

	Accumulated Surplus or Deficits \$	NGIA Sector Funds \$	Research Reserve \$	Trolley Reserve \$	Accumulated Funds \$
Balance at 1 April 2019	266,190	143,213	144,039	106,717	660,159
Profit or loss for the year	(43,332)	-	-	-	(43,332)
Attribution from Reserve to Accumulated Funds	90,335	-	-	(90,335)	-
Balance at 31 March 2020	313,193	143,213	144,039	16,382	616,827
Profit or loss for the year	(2,923)	-	-	-	(2,923)
Attribution from Reserve to Accumulated Funds	16,382	-	-	(16,382)	-
Balance at 31 March 2021	326,651	143,213	144,039	-	613,903

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Consolidated Statement of Financial Position

As at 31 March 2021

	Note	2021 \$	2020 \$
Accumulated Funds			
NGIA sector funds	15	143,213	143,213
Research reserve	15	144,039	144,039
Accumulated surplus or deficits		326,651	313,193
Trolley contribution reserve	15	-	16,382
Total Accumulated Funds		\$613,903	\$616,827
ASSETS			
Current Assets			
Cash and cash equivalents	11	610,371	57,237
Income tax receivable	8	3,651	-
Investments	12	28,283	382,414
Prepayments		38,638	19,765
Trade receivables		112,525	387,803
Accrued Revenue		12,666	14,572
Other current assets		-	6,013
Work in progress		-	8,760
Total Current Assets		806,135	876,563
Non - Current Assets			
Investments	12	125,244	113,154
Intangible assets	13	10,151	-
Property, plant and equipment	14	339,029	324,198
Total Non - Current Assets		474,424	437,352
TOTAL ASSETS		1,280,559	1,313,915
LIABILITIES			
Current Liabilities			
Accrued expenses		33,135	37,120
Cash and cash equivalents	11	3,309	36,290
GST payable		89,524	16,453
Employee benefits		21,935	17,726
Trade payables		32,517	94,133
Membership income in advance		-	16,536
Trolley lease income in advance	10	163,906	119,743
Unredeemed gift cards	9	315,246	296,608
Unredeemed gift vouchers	9	7,085	62,480
Total Current Liabilities		666,658	697,089
TOTAL LIABILITIES		666,658	697,089
NET ASSETS		\$613,901	\$616,827

Approved for and on behalf of the board on _____ 2021:



 Matthew Dolan
- CEO



 Mike Simpson
- Chairman

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

“How the entity has received and used cash”

	Note	2021 \$	2020 \$
Cash Flows From Operating Activities			
Grants, donations and other similar receipts		206,474	40,000
Fees, subscriptions and other receipts from members		821,966	693,775
Receipts from providing goods or services		1,126,505	1,203,236
Interest, dividends and other investment receipts		8,409	31,013
Payments to suppliers and employees		(1,888,715)	(1,966,832)
Income taxes paid		(3,651)	-
Net GST		100,132	7,168
Net Cash Flows From Operating Activities		371,120	8,360
Cash Flows From Investing Activities			
Receipts from the sale of investments		345,000	-
Payments to acquire property, plant and equipment	14	(116,764)	(140,022)
Payments to acquire intangible assets	13	(13,240)	-
Net Cash Flows From Investing Activities		214,995	(140,022)
Net Increase/(Decrease) in Cash and Cash Equivalents		586,115	(131,662)
Cash and Cash Equivalents at Beginning of Year		20,947	152,609
Cash and Cash Equivalents at End of Year	11	\$ 607,062	\$ 20,947
<i>This is represented by:</i>			
Bank accounts	11	610,371	57,237
Bank overdrafts and credit cards	11	(3,309)	(36,290)
Total Cash and Cash Equivalents		\$ 607,062	\$ 20,947

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

“How did we do our accounting”

1. REPORTING ENTITY

The consolidated financial statements of New Zealand Plant Producers Incorporated (“NZPPI”), as at and for the year ended 31 March 2021 comprise the society and its subsidiary Nurserymens Enterprises Limited (“NEL”) (together referred to as the “Group”). NZPPI has elected to step up to Tier 2 PBE Standards and apply PBE IPSAS 35 and PBE IPSAS 38 to prepare consolidated financial statements.

NZPPI is an incorporated society incorporated on 12 March 1943 under the Incorporated Societies Act 1908.

2. BASIS OF PREPARATION

a. Statement of Compliance

NZPPI has elected to apply PBE SPR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-for-profit) on the basis that it does not have public accountability and has total annual expenditure for the year ended 31 March 2021 of less than \$2 million. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

These financial statements were authorised for issue by the Chief Executive and Chairman on 12 October 2021.

b. Basis of Consolidation

Controlled Entities

Controlled entities are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

c. Revenue Recognition

Grant Revenue

Grant revenue is recognised as revenue when the funds are received, unless there is an obligation to return the funds if conditions are not met. If there is such an obligation, the funds are recorded as a liability and recognised as revenue when the conditions are subsequently satisfied.

Sale of Services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

Sale of Goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Interest and Dividend Revenue

Interest revenue is recognised as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

Lease Revenue

Lease revenue is recognised in the surplus or deficit on a straight-line basis over the term of the lease.

Gift Card & Voucher Revenue

Gift card and voucher revenue recognised in the surplus or deficit comprises of the following:

- commissions received when a gift card or voucher is redeemed at a participating garden centre, or
- the gift card or voucher has expired and there is no future cash outflows expected

d. Employee-Related Costs

Wages, salaries, annual leave and superannuation contributions are recognised as an expense in the surplus or deficit as staff provide services and become entitled to wages, salaries, annual leave and superannuation contributions.

e. Lease Expenses

Lease payments are recognised as an expense on a straight-line basis over the term of the lease.

f. Direct and Operating Expenses

These costs are recognised as an expense when the related goods or service has been received.

g. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, bank accounts and credit cards held. Cash and cash equivalents are measured at the amount held or withdrawn.

h. Accounts Receivable

Accounts receivable are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recorded and the loss is recognised as a bad debt expense.

i. Investments

NZPPI has elected to step up to Tier 2 PBE accounting standards and apply PBE IPSAS 28 Financial Instruments: Presentation, PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IPSAS 30 Financial Instruments: Disclosures to account for investments held. All other financial assets and liabilities are accounted for under Tier 3 PBE accounting standards.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

Investments comprise of investments in fixed interest and equity instruments.

Fixed interest and equity investments classified as available for sale and are initially recognised at cost, and subsequently carried at fair value through profit or loss. Fair value is deemed to be the current market price.

i. Property, Plant & Equipment

Property, plant, and equipment are stated at historical cost less any accumulated depreciation. Historical cost includes expenditure directly attributable to the acquisition of the assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

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

Computer Equipment - 2.5 to 4.8 years (21% to 40%)

Office Equipment 8.3 years (12%)

Plant Trolleys 10 years (10%)

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss on derecognition of the asset is included in the surplus or deficit in the year the asset is derecognised.

j. Accounts Payable and Accrued Expenses

Creditors and accrued expenses are recognised at the amount owed.

k. Employee Costs Payable

A liability for employee costs payable is recorded when an employee has earned the entitlement.

l. Good and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax ("GST") except for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from or payable to the IRD is included as part of other current assets or other current liabilities respectively in the Statement of Financial Position.

m. Income Tax

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

n. Changes in Accounting Framework

NZPPI transitioned on 1 April 2019 from Consolidated Special Purpose Financial Statements to PBE SPR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-for-profit) in accordance with the XRB standard. The transition had minimal impact on the accounting policies of the group, significant changes include:

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

The addition of statement of service performance and cash flow statement.

The revenue recognition criteria for gift card and voucher revenue and expenditure has changed. As NZPPI is considered the agent within the gift card and voucher scheme under the PBE tier 3 accounting standards, as such should not recognise the cash inflows as revenue as they are holding funds on behalf of garden centres, and should only record revenue from expired gift cards and commissions earned from the scheme. As such, the accounting policy changed from:

- recognising all cash inflows, cash outflows and movement of the unredeemed liability through the profit or loss, to
- the recognition of revenue on expiration of the gift card or voucher, and the commissions received from nurseries on redemption of gift cards and vouchers

The change in accounting policy has had no impact on the overall net profit or loss for the group, this has reduced the total sales and expenditure recorded for the programme, which is detailed further below.

On transition to the PBE Tier 3 framework, NZPPI are required to re-state comparative information in accordance with the framework. In the 2020 consolidated special purpose financial statements the Group recognised a revaluation of gift card liability expense to correct the liability it had. As this revaluation related to provisions recorded in prior accounting periods, this has been re-stated within the Accumulated Surplus and Deficits at 1 April 2019. The impact of this is detailed below.

The income tax liability balance has also been re-stated to align with the balances outstanding with Inland Revenue, the impact of this has been outlined below.

Balances as at 1 April 2019	Accumulated Surplus and Deficits	Gift Card Revaluation Expense	Gift Card Liability	Income tax liability
	\$	\$	\$	\$
Balance as reported in the Special Purpose Financial Statements	(537,975)	(277,428)	(17,815)	(5,643)
Re-Statement	271,785	277,428	(277,428)	5,643
Balance as reported in the PBE Tier 3 Financial Statements	(266,190)	-	(295,243)	-

Balance for the year ended 31 March 2020	Gift Card Revenue	Gift Card Expenditure (excluding revaluation)
	\$	\$
Balance as reported in the Special Purpose Financial Statements	637,624	(589,304)
Balance as reported in the PBE Tier 3 Financial Statements	80,352	(32,032)
Adjustment processed	557,272	(557,272)

Comparative figures have been reclassified to conform to current years presentation.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

3. Gift Cards & Voucher Revenue & Expenditure	2021	2020
Gift Card & Voucher Income	\$	\$
Allowance for unredeemed gift cards and vouchers	(40,485)	53,072
Expired gift card write-back	56,995	3,427
E-Card rebate	5,670	6,138
Administration charge and commission on gift cards sold	17,459	17,715
Total	39,639	80,352
Gift Card & Voucher Expenditure		
ECard program fee	13,563	9,401
Other gift card and voucher expenditure	4,208	22,631
Total	17,771	32,032
4. Trolley Programme Revenue & Expenditure	2021	2020
Trolley Income	\$	\$
Trolley maintenance revenue	159,962	159,406
Trolley long term lease revenue	48,548	36,156
Trolley short term lease revenue	30,021	30,857
Total	238,531	226,419
Trolley Expenditure		
Trolley project administration	7,668	2,291
Trolley tracking project	35,692	6,708
Trolley repairs & maintenance	33,179	31,160
Trolley storage	6,750	6,640
Trolley depreciation	82,688	50,196
Other trolley expenses	4,736	112
Total	170,714	97,107
5. Investment Surplus/(Deficit)	2021	2020
Dividend income	\$	\$
Interest income	3,583	5,887
Gain/(loss) on revaluation of investments	5,744	25,126
	2,960	(40,034)
Total Investment Surplus/(Deficit)	12,287	(9,021)
6. Expenses	2021	2020
Engagement	\$	\$
NZPPI conference	2,008	50,105
Regional meetings	3,688	4,318
Website & communications expenditure	5,939	2,466
Workshops	-	9,859
Total Engagement	11,635	66,747
Grant Expenses		
Industry partnership program	31,586	-
Native nursery action plan expenses	749	78,915
PPBS stage 2	84,767	33,441
Young achiever award	-	6,718
Total Grant Expenses	117,102	119,075

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

6. Direct Costs (cont.)	2021	2020
Influence	\$	\$
PMAC GERMAC membership fees	-	2,300
Bio-security advocacy	10,012	22,450
Consultancy fees	23,718	12,485
PPBS	21,431	18,723
Subcommittees & SIG's	4,849	3,554
Total Influence	60,010	59,511
Toolbox		
Commercial horticulture subs paid	4,310	5,552
EMA subscription	9,442	11,950
Farm management system	-	6,336
Total Toolbox	13,752	23,838
7. Operating Expenditure	2021	2020
Professional Fees and Bad Debts	\$	\$
Accounting fees	45,966	33,135
Audit fees	29,662	37,320
Bad debts	18,831	-
ISA fees	24,998	19,213
Investment management fees	1,750	1,050
Insurance	5,686	8,049
Professional & legal fees	1,492	2,705
Total Professional Fees & Bad Debts	128,386	101,472
Operating Expenditure		
Amortisation & depreciation	6,898	3,646
Bank & interest expenditure	6,555	9,487
Computing	19,234	11,845
General expenses	24,690	20,692
Loss on disposal of fixed assets	10,868	-
Rent	51,334	51,351
Telephone & fax	4,887	10,982
Total Operating Expenditure	124,467	108,002
Personnel Expenditure		
Salaries	499,281	480,121
Employment retention	-	6,800
Recruitment staff	-	1,216
Staff expenses	3,230	2,226
Total Personnel Expenditure	502,511	490,363
Governance Expenditure		
Governance	12,000	5,000
Governance retail	11,920	14,468
Meetings & travel - board	14,929	20,706
Newsletters and AGM	-	990
Total Governance Expenditure	38,849	41,164
Travel & Accommodation Expenditure		
Meetings & travel - executive	9,773	28,226
Meetings & travel - other	8,661	14,007
Total Travel & Accommodation Expenditure	18,434	42,233
Total Operating Expenditure	812,648	783,233

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

8. Income Tax	2021	2020
	\$	\$
Surplus/(deficit) for the year	(2,923)	(43,332)
<i>Income tax adjustments</i>		
(Surplus)/deficit for the year non-assessable by virtue of the principle of mutuality	27,960	166,899
Incorporated Society sDV-8 exemption	(1,000)	(1,000)
Non-assessable income	(5,313)	-
Non-deductible expenses	-	1,589
Imputation credits attached to dividends received	478	1,096
Imputation credits utilised	(1,707)	(3,915)
Adjustment for GCV liability remeasurement	-	(277,428)
Losses brought forward	(2,797,285)	(2,641,192)
Losses to Carry Forward	(2,779,791)	(2,797,283)
<i>Income tax asset/(liability)</i>		
Balance at the beginning of the year	-	-
Income tax expense	-	-
Refunds received	(333)	-
RWT paid	3,984	-
Balance at the End of the Year	3,651	-
9. Gift Cards & Voucher Liabilities		
	2021	2020
	\$	\$
Unredeemed Gift Card Liability		
Provision as at 1 April	296,608	295,243
<i>Add</i>		
Gift card sales	519,197	465,600
Less allowance for unredeemed gift cards	-	(46,560)
	519,197	419,040
<i>Less</i>		
Gift cards redeemed	(468,313)	(417,675)
Gift cards expired during the year	(56,995)	-
Commission on gift cards sold	(15,736)	-
Writeback of historical gift card provision	40,485	-
	(500,559)	(417,675)
Provision as at 31 March	315,246	296,608
Unredeemed Gift Voucher Liability		
Provision as at 1 April	62,480	118,981
<i>Add</i>		
Gift voucher sales	1,395	129,873
Less allowance for unredeemed gift vouchers	-	(6,512)
	1,395	123,361
<i>Less</i>		
Gift vouchers redeemed	(56,790)	(179,862)
	(56,790)	(179,862)
Provision as at 31 March	7,085	62,480

During the year ended 31 March 2021, NZPPI changed its accounting policies to no longer provide for an allowance for unredeemed gift cards (2020: 10%) and gift vouchers (2020: 5%) which historically reflected the organisations expectations for unredeemed gift cards and vouchers.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

	2021	2020
10. Trolley Lease Revenue in Advance	\$	\$
Provision as at 1 April	119,743	72,750
<i>Add</i>		
New leases	92,711	83,149
<i>Less</i>		
Amortisation of leases	(48,548)	(36,156)
Balance as at 31 March	163,906	119,743

11. Cash & Cash Equivalents

	2021	2020
Cash at Bank	\$	\$
NZPPI Current Account	232,264	19,111
NEL Current Account	12,233	-
NEL E-Card Account	51,441	11,630
NEL GCV Redemption Fund	314,434	26,496
Total Cash at Bank	610,371	57,237
Bank Overdrafts & Credit Cards		
NEL Current Account	-	33,375
Credit Cards	3,309	2,911
Total Bank Overdrafts & Credit Cards	3,309	36,290
Total Cash and Cash Equivalents	607,062	20,947

The group has an overdraft facility available with a maximum credit limited of \$150,000 as at 31 March 2021 (2020: \$150,000), with an interest rate of 9.25% (2020: 10.00%) on daily balances in credit.

The bank has a general security agreement over the group assets, undertakings and uncalled capital of NEL.

12. Investments

	2021	2020
<i>Financial investments held as Available for Sale</i>	\$	\$
Fixed Interest Investments - current	28,283	382,414
Equity investments - non-current	125,244	113,154
Total Investments	153,527	495,568

The fixed interest and equity investments are held as available for sale and measured at fair value determined by market value at balance date.

13. Intangible Assets

	2021	2020
Website	\$	\$
Balance at the beginning of the year	-	-
Additions	13,240	-
Amortisation	(3,089)	-
Balance at the end of the year	10,151	-

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

14. Property, Plant & Equipment	Plant Trolleys	Equipment	Equipment	Total
	\$	\$	\$	\$
Balance as at 1 April 2019	230,100	7,076	842	238,018
Additions	137,361	2,202	459	140,022
Depreciation	(50,196)	(3,545)	(101)	(53,842)
Disposals	-	-	-	-
Balance as at 31 March 2020	317,265	5,733	1,200	324,198
Additions	114,226	2,538	-	116,764
Depreciation	(82,688)	(3,658)	(149)	(86,495)
Disposals	-	-	-	-
Prior period adjustment	(15,438)	-	-	(15,438)
Balance as at 31 March 2021	333,365	4,613	1,051	339,029

15. Reserves

Name	2021	2020
	\$	\$
NGIA Sector Funds	143,213	143,213
Research Reserve	144,039	144,039
Trolley Reserve	-	16,382
Total	287,252	303,634

All reserves are attributions of accumulated surplus and deficits and transactions are only processed through these as attributions to or from accumulated surplus and deficit.

NGIA Sector Funds

The NGIA Sector funds are historical funds collected which are held to be utilised for the benefit of each sector.

Research Reserve

The research reserve is a fund donated by Massey University for the intention of scientific research into plant production.

Trolley Reserve

At the end of the 2018 financial year, the Directors approved a reserve for future trolley purchases be created. The amount set aside for the reserve amounted to the previous year's profit before depreciation for the Trolley operations. During the year new trolleys were purchased thereby reducing the reserve to nil.

16. Related Party Transactions

NZPPI has a New Zealand controlled entity Nurserymens Enterprises Limited ("NEL") which it holds 100% of the shareholding and the directors are all members of the NZPPI board.

Elected board members are members of the New Zealand Plant Producers Incorporated Society. They have been elected as a representative for their sector and therefore transactions between the Board Members, the Association and the Group are in the normal course of business.

During the year ended 31 March 2021, \$10,000 was paid in Directors fees (2020: \$5,000).

17. Contingent Liabilities

The Directors are not aware of any contingent liabilities which may result in a loss to the Group (2020: nil).

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

New Zealand Plant Producers Incorporated

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 March 2021

18. Commitments

The board approved the acquisition of 660 new plant trolleys for a budgeted total cost of \$207,000. As at 31 March 2021 a deposit of \$34,837 has been paid (2020: \$nil). This deposit is recorded in prepayments.

The group has the following non-cancellable operating lease commitments.

	2021	2020
	\$	\$
Current	25,639	51,277
1-2 years	-	25,639
3-4 years	-	-
Total	25,639	76,916

19. Subsequent Events

There have been no material events that have occurred after the reporting date (2020: nil).

20. COVID-19

On 30 January 2020, the spread of novel Corona virus (COVID-19) was declared a public health emergency by the World Health Organisation. On 25 March 2020, New Zealand was placed into Alert Level 4 lockdown to combat the pandemic. In the months following, and up to the date the financial statements were authorised for issue by the Board, the country has cycled in and out of various Alert Levels, some of which have included further lockdowns and restrictions on citizen movement and activities for extended periods.

The Board will continue to monitor the impact of COVID-19 on the entity but at the date of signing this report the Board does not believe NZPPI has been or will be adversely financially affected by the pandemic. The known and expected impacts of the virus on the entity include:

- NZPPI applied for and received \$21,088 in wage subsidies for 3 employees as part of the Ministry of Social Development's COVID-19 Wage Subsidy Scheme.

The Board maintain the view that NZPPI has sufficient resources that it will continue to operate as a going concern provided operational targets are met.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Independent auditor's report

To the Members of New Zealand Plant Producers Incorporated

Opinion

We have audited the accompanying consolidated financial statements of New Zealand Plant Producers Incorporated on pages 1 to 27, which comprises the entity information, the statement of service performance, the consolidated statement of financial performance and consolidated statement of cash flows for the year ended 31 March 2021, the consolidated statement of financial position as at 31 March 2021, and the statement of accounting policies and notes to the consolidated financial statements.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable
- b) the accompanying consolidated financial statements presents fairly, in all material respects:
 - the entity information for the year then ended
 - the service performance for the year then ended, and
 - the financial position of New Zealand Plant Producers Incorporated as at 31 March 2021, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report.

We are independent of New Zealand Plant Producers Incorporated in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than our capacity as auditor we have no relationship with, or interests in, New Zealand Plant Producers Incorporated.

Other Matter

The consolidated financial statements of New Zealand Plant Producers Incorporated for the year ended 31 March 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 5 October 2020.

Board's responsibilities for the consolidated financial statements

The Board are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance
- b) the preparation and fair presentation of the consolidated financial statements on behalf of New Zealand Plant Producers Incorporated which comprises:
 - the entity information
 - the statement of service performance; and
 - the consolidated statement of financial performance, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the consolidated financial statements in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Board determine is necessary to enable the preparation of the consolidated financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board are responsible on behalf of New Zealand Plant Producers Incorporated's for assessing New Zealand Plant Producers Incorporated's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate New Zealand Plant Producers Incorporated or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements is 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 conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.
- 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 New Zealand Plant Producers Incorporated's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on New Zealand Plant Producers Incorporated'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 consolidated

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 New Zealand Plant Producers Incorporated to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board 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.

This report is made solely to the members of New Zealand Plant Producers Incorporated. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members, for our audit work, for this report, or for the opinions we have formed.

Moore Markhams

Moore Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
15 October 2021



NZPPI ANNUAL REPORT 2021

New Zealand Plant Producers Incorporated

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