

# TOWARDS 2025: DECISION TIME - THE FUTURE DIRECTION FOR OUR INDUSTRY

**We are at a crossroads as an industry. As a result, you will be asked to make important choices in the coming months.**

There has been much discussion and activity in recent years in relation to changes in the biosecurity area (including Government Industry Agreements on Readiness and Response), the importance of strong advocacy, the benefits of accreditation and quality standards, membership fees, and many other industry development initiatives.

The NGINZ Board believes we are now at a crossroads due to:

#### **Biosecurity changes**

The Government has introduced Government Industry Agreements on Biosecurity Readiness and Response (GIA). These agreements are now law, industries are signing up and NGINZ (and the nursery and garden industry) needs to be part of it or run the risk of becoming less relevant, losing influence and facing restrictions that impact our ability to trade (for example, restriction on moving plants);

#### **Economic upturn**

Most signals point to a period of strong economic recovery and performance ahead, and we need to be positioned as an industry to make the most of this;

#### **Liveable Cities**

Green infrastructure offers solutions to many of the challenges contemporary society faces, and the scale of opportunity in Auckland and Christchurch is unprecedented. It is time for us to step up;

#### **Increasing regulation**

The level of regulation impacting our industry and individual businesses continues to grow in scale and complexity, and strong advocacy has never been so important;

**NGINZs current strategic plan** runs through to 2016.

As we begin thinking about what's next its opportune to adjust our perspective and scope so that we are both proactive about our future and more relevant to the needs of the wider industry.

#### **Relevance to Industry**

While NGINZ has a strong and proactive membership not all industry businesses choose to be members. There are many reasons for this, some have never joined, others have left and some may not know of us or our work. Whatever the reason though, our work is all the more effective when we speak for, and more importantly, reflect the views of "all of industry". We and our industry are better when we harness collective wisdom, effort and resource.

## **Towards 2025**

Towards 2025 is a determined and ambitious package with three key elements. In coming months you will be asked to decide whether you support these strategies.

#### **Double the Value of Greenlife by 2025.**

Drive growth of greenlife across all market segments. This strategy is known as Greenlife Double.

#### **Become part of GIA from 2015.**

An agreement would offer us a say in vital issues such as biosecurity protection and enable us to partner closely with the wider horticulture and forestry sectors.

#### **Establishment of a levy.**

The ambitious Towards 2025 plan is reliant on establishing a sustainable and equitable industry-wide funding arrangement for the good of the nursery and garden industry.

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 Introduction

A detailed overview of these components is set out in this and other documents. They contain information and recommendations that are vitally important for every industry participant.

We have identified the following benefits of the Towards 2025 package:

- **A prosperous industry**  
Making things happen and creating opportunities for members.
- **An influential industry body**  
Proactive advocacy, lobbying for members' common good.
- **Resourced and focused**  
Active pursuit of market growth opportunities for members' benefit.
- **Enhanced promotional capacity**  
Proactive industry promotions and awareness campaigns.

Before any decisions are taken there will be a formal and wide consultation process that engages with all sectors and parties that have an interest in the future and success of the nursery and garden industry. In particular, views of growers (of nursery stock) are crucial; it is they who will become "levy payers" and they who vote in the referendum that will decide our path Towards 2025.

There will be several opportunities for industry members to provide this feedback:

- **Directly to NGINZ** as we prepare for formal industry consultation.
- **At regional meetings** during March 2015.
- **In a referendum** among growers in May 2015.

The essentials of Towards 2025 are described in this booklet. Further resources are available on the NGINZ website ([www.nginz.co.nz/towards2025](http://www.nginz.co.nz/towards2025)). We welcome your contribution to our discussions and please feel free share your views with any of the NGINZ board members or with NGINZ CEO, John Liddle, directly.

**We need to take action.** We encourage you to carefully consider the NGINZ Board's proposal, the future you want for your industry, and how your business and the NGINZ will need to re-position to achieve future success for industry members, the industry and the Association.



**Andrew Harrison**  
Board Chair



**John Liddle**  
Chief Executive

December 2014

## TOWARDS 2025

**Towards 2025 is a plan to strengthen collaboration for mutual benefit to help develop and grow the nursery and garden industry and all its participants. It will see us working together to double the value of greenlife by 2025 and partner with forestry and other horticulture sectors to improve industry biosecurity.**

It's about being proactive! It won't be easy and will require significant effort, investment and collaboration to achieve this aspirational goal for a vibrant future.

### Issues & Opportunities:

- **GIA** - Be a part of it or run the risk of fading influence on industry.
- **Increased regulatory pressure** – our advocacy and preparedness response.
- **Liveable Cities** – increased emphasis on gardens and green spaces.
- **Economic upturn** – business and consumer confidence suggest market growth ahead.
- **Strategic Plan renewal** – ensure relevancy of our offering today and in the future.

### What's in it for me?

- **A prosperous industry** – making things happen and creating opportunities for members.
- **An influential industry body** – proactive advocacy, lobbying for members' common good.
- **A strengthened industry body** – actively driving market growth and members' share of it.
- **Enhanced promotional capacity** – proactive industry promotions and awareness campaigns.

### What needs to be done?

If we are to achieve the enticing goal of doubling the value of greenlife by 2025, we need to work together as a unified industry. It will require a significant

commitment of time, energy and resources, facilitated by the introduction of a levy.

### We need your input!

Please consider this package carefully and join us in discussions early in 2015. We will host regional meetings through March and April. Following this we will develop a formal levy proposal in for a referendum in May 2015.

### NGINZ Board Recommendation

The NGINZ Board strongly recommends it's Towards 2025 package and encourages you to support the three key components of the package:

- **Greenlife Double** – a commitment to work towards doubling the value of greenlife by 2025
- **Active participation in GIA**
- **A Commodity Levy** to provide sustainable and equitable industry-wide funding.

### Read all about it...

NGINZ's documentation in this mailing outlines our thinking:

- **Towards 2025** – the essentials Consultation, Mandate & Timeline Greenlife Double – The goal, its objectives, value add and transformational projects
- **GIA** – A transformation in biosecurity, the impact and opportunities
- **Commodity Levy** – A transformational tool

There's additional information on our website – [www.nginz.co.nz/towards2025](http://www.nginz.co.nz/towards2025)

NGINZ is asking the industry to help with a decision that will change the way we all work together. You have important choices to make in the coming months. Please take your chance to help shape our industry future. Any feedback and questions are most welcome.

## GREENLIFE DOUBLE - THE OPPORTUNITY AHEAD

**Greenlife Double is intended to be a clear, compelling and bold goal. It's an acknowledged stretch, serving as a unifying focal point of industry effort, and act as a clear catalyst for collaboration with a highly beneficial outcome.**

It is an opportunity to be proactive about our future, and to build demand for greenlife. It would greatly benefit nurseries and all those businesses both upstream and downstream of nursery production – the suppliers to nurseries and the landscapers and retailers who are nursery customers.

Greenlife Double speaks also to the contribution our industry makes to greening New Zealand. We are in the valued position of being able to help provide solutions to critical environmental issues, climate change, water and air quality, biodiversity and sustainability.

Greenlife Double will entail significant advocacy activity and focus on the opportunities to increase the utilisation of greenlife through representation to local, regional and national regulators. It will include conduits through, and to, urban planners and landscapers, property developers and home gardeners, schools and kids.

The plan will require industry capacity development – investment in production capacity and efficiencies, human resources, biosecurity and sustainability, research, data, science and technology ...

We will partner with others where there are shared goals, interests, impacts and operational spaces. This will ensure we can leverage effort and resources to strengthen outcomes to the benefit all parties.

Greenlife Double will, above all, require a team effort. Industry members will help shape the plan, NGINZ can then develop a platform for members to work to secure benefit. It's both a big plan and a big opportunity.

This sets the strategic direction for our industry and future steps are to develop detailed strategy components and action plans to make it happen.

### THE GOAL

Double the value of Greenlife by 2025

### OBJECTIVES

#### Urban and amenity spaces

30% more green space in urban areas by 2025.

#### Rural, natural environment and infrastructure spaces

70% more greenlife in rural, natural environment and infrastructure spaces by 2025.

#### Home gardens and landscaping

Double the value of greenlife sold through retail and landscape by 2025.

#### Exports

Double the value of greenlife exports.

#### Support growth in forestry and horticulture industries

Partnership with sector groups to facilitate their industry objectives and our role in them.

#### Public Awareness and Engagement

Public awareness, and thus perceived value, of greenlife doubled by 2025.

## Value Add

It won't be business as usual – Towards 2025 and its Greenlife Double and GIA components are about a step change. It will position the nursery and garden industry as a proactive, ambitious and professional sector working hard to enhance the well-being of its members and making a major and increasing contribution to New Zealand society, its environment and economy.

1. GIA is both reality and opportunity. It changes the face of government, and industry and government interaction. Participating industries will be able to influence government and MPI more than ever. We will be an active partner in GIA.
2. Advocacy effort and scope will intensify and broaden and we will boost capacity to achieve this. Our influence will expand and we will be better positioned to impact matters that affect members.
3. Industry promotion efforts intensify with adequate resourcing – we will get serious and put some real teeth into industry promotion.
4. Industry-wide engagement and partnership will see us turning “good relationships” into “active partnerships” that directly contribute to Greenlife Double objectives.
5. A step change in industry professionalism will see us better equipped, both as an Association and individuals, to better mitigate the impacts of increasing regulatory and environmental, customer and supply chain expectations.
6. A unified industry and a stronger industry body will harness collective wisdom, effort and resource. We'll more reflective of and responsive to the needs of industry members and their supply chains.

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Above all, these value-adds and transformational projects better the team (the industry, industry members, horticulture and New Zealand) and the opportunities. If we double the value of greenlife going through to 2025, what would it do for your business?

## Transformational Projects

With appropriate resources; we will have an opportunity to expand our vision, sphere of influence and impact. We will work to a scale not previously possible. Some high impact programmes that may make our top shelf:

1. **2020Vision** – an intense and focused programme to increase urban green spaces.
2. **Greenlife Matters** – A programme that advocates more plants and green spaces for a healthier, happier New Zealand.
3. **Kids Greenlife & Gardening** – creating the next generation of “green”.
4. **GIA** – intensifying work with MPI and the wider-horticultural sector to provide for better biosecurity outcomes.
5. **Improving Nursery Professionalism** – taking the Nursery Production Farm Management System programme to regulators, the wider-horticultural sector and the supply chain as a model for quality assurance and risk management.
6. **Developing Our People** – developing a workforce which is better engaged, equipped and trained. This would help ensure the nursery industry was an attractive career option with clear industry career pathways.
7. **NZ Nursery High Health Scheme** – giving horticulture confidence in nursery-supplied plant material.
8. **Partnership Development** – to increase our influence and impact, to multiply our efforts and resource, to increase use of greenlife.
9. **Plants Biosecurity Index** – a review of the PBI and advocacy for a common sense approach to the HSNO Act, the EPA and the Plants Biosecurity Index.
10. **Export Push** – to grow nursery and garden industry exports.
11. **Research, Development and Extension** – influence government funded research priorities and encourage industry initiatives that facilitate better decisions, innovation, production techniques and efficiencies, intellectual property, market and product development.

*More detail in Section 3, page 13.*

# GIA: GOVERNMENT INDUSTRY AGREEMENTS ON BIOSECURITY READINESS AND RESPONSE

**GIA came into being late in 2013. It's designed to strengthen New Zealand's biosecurity protection to better prepare for, and respond to, new pest or disease threats.**

It's about government and industry working in partnership on biosecurity readiness and response through:

- Closer engagement between partners to achieve better biosecurity systems;
- Shared decision-making on readiness and response activities; and
- Shared costs for readiness and response activities.

NGINZ and the nursery and garden industry must now consider our formal role in GIA. This is not a minor consideration; GIA will impact on the nursery and garden industry both directly and indirectly. We are not compelled to join; that's our decision based upon the benefits GIA may or may not bring, risks we will need to carefully manage, and implications for our relationships with MPI and other primary sector industries.

GIA has lifted industry focus and attention on biosecurity and associated expectations. There are implications for the nursery and garden industry and its growers, irrespective of whether our industry becomes a signatory to GIA, or not.

Exotic pests and their potential impacts on nursery production do not provide a strong driver to join GIA - there are few pests that provide a significant and broad threat to nursery production; save for the longer term cumulative impacts of multiple "small" incursions and a resulting "death by 1000 cuts".

It's imperative however, that we join GIA in order to preserve and enhance our relationship with forestry, wider horticulture, MPI and others. We need to work to ensure we do not adversely impact them, and they us.

The ability to move plants, have access to pest and disease control tools, horticultural sector confidence in nursery practice and hygiene, and market access for our exports are all critical for our future.

We can help others strengthen surveillance programmes, build public awareness to encourage early reporting, promote adoption of biosecurity behaviours, develop technical expertise, manage pathway risk and develop new cultivars and high health standards, practices and plant certification schemes.

Being part of GIA will place the nursery and garden industry as a responsible sector proactively playing its part to ensure New Zealand's biosecurity is effective. It will also ensure the industry is an integral part of the management of biosecurity across the horticulture sectors and plays a role in engaging with MPI in relation to wider biosecurity matters.

Conversely if we do not join GIA we believe that our industry voice will be side-lined, our relevance diminished and we will have decreasing influence over regulatory measures, some of which will reduce our freedom to move plants. We are sometimes seen as risk creators by others, and that view is likely to intensify and see our industry increasingly targeted by other industries.

Weighing up our options, the NGINZ Board believes there is a compelling case for our industry to join GIA so that we are well positioned to:

- Determine and react appropriately to potential nursery and garden industry pest threats
- Manage risks that could impact our ability to move plants and reduce the "ease of doing business"
- Play an influential role as a responsible industry sector in wider horticulture.

*More about GIA in Section 4, page 1*

# A COMMODITY LEVY SUSTAINABLE & EQUITABLE INDUSTRY FUNDING

**Government provides a mechanism for primary sector industry bodies to fund their work in a fashion where all those who will benefit from this work contribute towards its funding – The Commodity Levies Act.**

It recognises that industry body activities such as advocacy, quality assurance programmes, research, development and extension, and industry and product promotion have application to the industry as a whole. However, not all who benefit from such activities choose to join the industry body. The Commodity Levies Act ensures all who benefit contribute to the cost of industry good work.

The Act enables industry bodies (with the consent of industry producers) to implement a levy on the producers of a primary sector “commodity” – in our case, the producers are growers, and the commodity, plants.

Thirty levy orders are currently in place encompassing the gambit of the agriculture and horticulture sectors. Virtually all primary sector industry good bodies are funded by a Commodity Levy; we’re an obvious exception.

Levy orders are established only with the consent of potential levy payers (in our case growers). The government requires the industry body to undertake consultation, to consider feedback and, finally, to demonstrate an industry mandate among those who are potential levy payers (growers) through a referendum. We must achieve support from 50% of those (growers) that vote by number and by the value of their production.

A levy order needs the approval of the Minister for Primary Industry and is valid for six years, renewed through further consultation and referendum.

The NGINZ Board believes a Commodity Levy will enable us to proactively pursue Greenlife Double, join and meet our GIA preparedness commitments (a Biosecurity Levy is proposed for a GIA response), cover operating expenses and provide a sustainable and more equitable industry-wide funding arrangement for the Association’s ‘industry good’ work. NGINZ will be

better positioned to deliver on behalf of industry and its members.

## Key mechanics

- The levy is compulsory for all; anybody who produces the commodity is required by law to pay – that is nurseries growing plants for commercial return.
- All levy payers (growers) become members of NGINZ with the levy replacing membership fees for levy payers.
- NGINZ is in the process of determining the defined commodity and its scope – at this stage the commodity will likely be all plants commercially produced and sold.
- Levy payers (growers) will be levied on sales and pay the appropriate levy to NGINZ.
- A maximum levy rate of 0.4% is proposed and will set at 0.3% for the first year. The levy for second and subsequent years is set at an AGM for levy-payers (growers). It is intended that we will raise \$1.5 million per annum.
- NGINZ’s governance, management and decision making process will change to ensure it is responsive to the needs and views of levy payers.

## Non-grower industry members

A levy cannot be raised among non-grower industry businesses – suppliers to nurseries and retailers for example. They do not produce the commodity, plants. They are however, an integral part of NGINZ, and along with the amenity and landscape sectors, an integral part of the nursery and garden industry and key participants in Greenlife Double.

A vital component of the levy process will be to ensure that we maintain a “whole of industry” approach and continue to harness the benefits of a vertically integrated industry where efforts of all channels and parties in the supply chain will multiply and contribute to the success of Greenlife Double and other industry goals.

## INDUSTRY CONSULTATION, MANDATE & TIMELINE

### June 2014 through to mid-2016

Government is very prescriptive about just how an industry can join GIA, or establish a Levy. It requires an industry body to demonstrate industry support (from all potential levy payers, not just its members) through consultation and consideration of feedback before developing and submitting final proposals to MPI. Further, a Commodity Levy requires a referendum amongst potential levy payers (growers) before the Minister for Primary Industries will consider such a proposal.

NGINZ's Greenlife Double proposal (to double the value of greenlife by 2025) envisages our joining GIA and establishing a Commodity Levy to fund GIA preparedness, key Greenlife Double programmes, other NGINZ "industry good" work and administration. A Biosecurity Levy is proposed to meet GIA response commitments.

This is an important initiative. Work to inform, and understand, the needs and views of industry is essential.

### Consultation

Our consultation process comprises two phases. The first, now complete, saw NGINZ discuss the proposal, its' opportunities and impacts with its members. With member support, the second phase – that of industry-wide consultation with all affected growers and parties is underway. It is followed by a referendum amongst potential levy payers (growers).

A successful referendum result will generate formal applications to the Minister for Primary Industries. In all, it would be around two years until we're in a position to fully implement Greenlife Double, sign up to GIA and begin collecting a levy.

### Consultation processes and timelines

1. 2014 – The NGINZ Board, its working group and members considered early drafts of the Towards 2025 proposal through conference and a series of regional meetings. It was the NGINZ Board's view that it was appropriate to consult with its membership to establish its needs and support prior to consulting wider. This process culminated in a poll among NGINZ members in October 2014. Support was overwhelming and late in 2014 proposals began refinement for whole of industry consultation. Details of this process and the results of consultation are available at [www.nginz.co.nz/towards2025](http://www.nginz.co.nz/towards2025).
2. **Consult with the wider horticulture sector to develop and refine our GIA and Levy scope – September 2014 through February 2015**
3. **Industry notification – December 2014 through February 2015**  
Advertise our intentions to wider industry via our databases, industry publications and newspapers.
4. **Database building and verification – December 2014 through February 2015**  
Potential levy payers are asked to register and a database of interested parties and eligible voters built.
5. **Develop formal consultation proposals – November 2014 through March 2015**
  - Further development of Greenlife Double strategies
  - Draft GIA and levy proposals would be developed to regulatory requirements

**7. Industry-wide consultation – March & April 2015**

We must consult and consider feedback from all potential levy payers, not just current NGINZ members. Visits to growers and regional meetings would ensure that all potential levy-payers (growers) had an opportunity to review and help us shape the proposals.

Whangarei	Thu 5 March
Auckland – Northwest	Mon 9 March
Auckland – Southeast	Tue 10 March
Hamilton	Mon 2 March
Rotorua	Tue 3 March
Tauranga	Wed 4 March
Gisborne	Thu 26 March
Napier	Mon 16 March
New Plymouth	Mon 23 March
Palm Nth &/or Wanganui	Thu 12 March
Wellington	Thu 19 March
Nelson	Wed 18 March
Christchurch	Tue 17 March
Timaru	Mon 30 March
Dunedin	Tue 31 March
Invercargill	Wed 1 April

Other locations can be included if useful and it is important to note that any meeting is subject to a reasonable number of growers attending.

**8. Referendum – May 2015**

A Commodity Levy requires a referendum amongst all potential levy payers (that is growers). This is tentatively pencilled in for May 2015. We must gain the support of 50% of those who vote, and those who support must represent 50% of the value of plants sold amongst voters.

**9. Applications to the Minister – August 2015**

We must make formal applications to the Minister for Primary Industries for establishing the Commodity Levy, joining GIA and the establishment of the Biosecurity levy for GIA response.

**10. Greenlife Double Strategy Development – Early to late 2015**

While the Minister for Primary Industries considers our applications, comprehensive Greenlife Double strategy components and action plans would be developed. These would be key initiatives to deliver the value-add, key steps and timelines for transformational projects, and key infrastructure needs to ensure Association capability.

**11. Ministerial Consideration and Regulatory Processes****Commodity Levy**

The Minister considers the Levy application and advice from the Ministry, and if the Minister supports the application, Parliamentary Counsel is asked to draft the levy order. The Minister then recommends an Order in Council to be made. The Executive Council promulgates the levy order and it is gazetted. The Levy order comes into force 28 days later.

**Anticipated Levy Order Approval – April 2016  
First levies collected – April 2016****GIA**

The Minister considers the GIA application and advice from the Ministry. If the Minister supported the application, we would be invited to sign the GIA Deed.

**Potential Deed signing – late 2015****Biosecurity Levy**

The Minister considers the application and advice from the Ministry. If the Minister supports, the Levy Order will be made.

**Potential levy Order – late 2015****12. Roll out – from April 2016**