nzppi
NEW ZEALAND PLANT PRODUCERS INCORPORATED

Exploring an industry levy

Plant production industry consultation 2026-2027



Why we are proposing an industry levy

As plant producers, we know that running a professional business in today's environment is harder than ever. We are stretched thin in a fast-changing business and policy environment.

None of us has time to track and respond to every industry and government issue while running a nursery. But it's frustrating when the rules that impact our businesses are made by people who don't understand our industry.

In its first 10 years, NZPPI has proven that plant producers achieve more when we act together with a strong voice. Without that voice, others will decide for us.

NZPPI's advocacy to date has been funded by voluntary membership for the benefit of the whole industry. However, times are changing.

Industry challenges are becoming more complex. Government and councils are increasingly obliging all industries – not only plant production – to contribute more knowledge, funds and practical expertise. The reality is NZPPI cannot continue to deliver its work programme without the mandate and funding from all industry members large and small.

Over the last several months, NZPPI Board members have discussed a potential industry levy with plant producers throughout New Zealand, including at our most recent AGM. We believe there is support for an effective, well-funded industry body.

In this consultation document, we set out an initial levy proposal. However, if we are to successfully establish an industry-wide levy, we must reflect industry-wide feedback in the final proposal that you will vote on in a referendum.

I urge all plant producers to engage in this process. Review this proposal carefully, join a local event, jump onto a webinar, ask your questions and send us your feedback.

I look forward to hearing your views on the levy so we can shape the final proposal together.



Nick Hoskins
Chair, NZPPI

Key dates

- **June 2027** – estimated date of referendum
- **April 2028** – estimated start date, should the levy be approved by industry and government

What you can do now

- Review this consultation introduction and check the latest updates on **nzppi.co.nz/Levy-consultation/29646/**.
- Make sure you stay up to date with the proposal and receive invitations to attend events online and near you. Email: **office@nzppi.co.nz** if you're not already receiving updates.
- If you want to discuss any aspect of this levy proposal, please contact: Matthew Dolan, Chief Executive, NZPPI.
  Phone: **027 622 9255** Email: **matthew@nzppi.co.nz**

Contents

About the plant production industry	**Page 2**
Proposal to ensure your seat at the table	**Page 3**
What's at stake	**Page 4**
Why plant producers are exploring a levy	**Page 7**
What it costs you	**Page 9**
Your safeguards	**Page 11**
Appendix – operating cost forecasts	**Page 13**
What to do now	**Page 15**

Your business is critical to New Zealand

Our plants grow in every part of New Zealand. In our cities and towns, homes and backyards. Along our roads and rivers. Across our mountains and parks. On our orchards, vineyards and farms.

New Zealand cannot grow without you. Our country needs a consistent and reliable supply of healthy plants. So when decisions about plants are made, you deserve a seat at the table.

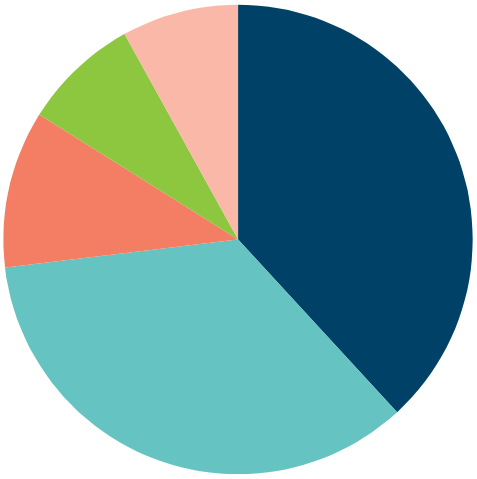
- **450** New Zealand nurseries
- **4,500** people employed
- **300 million** plants produced per year
- **$400 million** nursery gate revenue*
- **$17.5 billion** retail and export enabled value** to New Zealand economy

Primary exports*** underpinned by plant producers (noting that one plant can yield crops for several years)

- **$6.1 billion** forestry
- **$4.5 billion** kiwifruit
- **$2.1 billion** wine
- **$1.3 billion** apples and pears
- **$1 billion** other fruit and vegetable exports eg avocados, berries

Domestic economy underpinned by plant producers

- **$950 million** Fresh produce retail spend ex GST****
- **$870 million** Greenlife retail spend ex GST^
- **$270 million** GST collected by Inland Revenue (on retail fresh produce and greenlife)
- **$200 million** Native revegetation (public and private)^
- **$200 million** Public capital plantings^



Your seat at the table

New Zealand cannot grow without your business, so you should have a say in the decisions that affect it.

It's a fast-changing time in New Zealand's primary industries. Both sides of Parliament are pushing to replace outdated laws with new rules. Government expects industry to help make the rules and share more of the costs.

The rules will change whether you take part or not – and the costs and risks will land on your business. If you are not at the table, decisions will be made for you.

These issues are too big and complex for any one business to solve alone. Government wants one body to consult with, not 450 businesses. To have your say, we need to act together.

A clear industry proposal

To collectively tackle the challenges facing New Zealand's plant production industry, it is proposed to replace NZPPI's current voluntary subscription model (0.3% of members' plant sales) with an industry-wide commodity levy.

The levy rates will be set initially at: **0.3%**.

For example, on $500,000 of nursery gate plant sales, your payable levies would total $1,650.

Eligible growers will decide in a referendum before **June 2027**, with the levy enforced from **April 2028*****.

Notes

^There are no comprehensive sources of plant production industry data, so best estimates are used here.

*Includes $350 million on which levy can be applied plus $50 million not applicable eg forestry seedlings.

**Value of downstream crops, domestic retail plus Free On Board export receipts.

***MPI SOPI June 2026 ($200 million excluded from 'other' to account for onions, fresh potatoes and other non-nursery propagated crops).

****Fresh Facts 2025 (excluding fresh imports and domestic table potatoes $506,367), excludes $140 million GST paid.

***** Proposal details and timeline will depend on consultation results, MPI and the agreed levy base.

What's at stake: Changing rules

NZPPI's team works in Wellington, close to the people who set the rules. With your input, we push for solutions that work in your business. For example, in FY2025/26 NZPPI presented 16 submissions and participated in countless consultation processes to represent you in the development of new regulations – including key policy developments listed below.

Policy change	Why it matters	What it asks of plant producers
Planning permits and consents system	The new Resource Management Act replacement bills are fundamentally changing how councils and other government bodies will manage permits and consents.	Engage early on national direction, regional plans and regulations for environmental limits on land and water.
Vocational education reform	Relevant local training is hard to find. Current vocational education reforms are a chance to fix this, but we're competing with big, highly visible agriculture sectors to attract top talent.	Speak for plant producers in the vocational education reforms with a solid plan and a single voice, so plant production skills are prioritised and training fits the skills that nurseries need.
Plant import reform (MPI, 2027) and Plant Variety Rights review	Clean plant material and elite genetics, which mostly come from trusted overseas suppliers, are critical to innovation and productivity. Without it, our industry stalls. PVR rules affect what nurseries can grow, who they can supply and what they pay in royalties.	Provide technical input on a faster, lower-cost import system. Advocate for better balance to protect both our environment and our industry. Ensure plant producers have a technical voice as PVR rules change, so the system works for breeders, nurseries and growers alike.
Council pest management plan reviews	Councils are under increasing pressure from communities and Central Government to manage pest plants in their regional environments.	Provide science-backed evidence on proposed plant bans and movement rules. Balance the environmental risk with the economic and community benefits of the affected plant species. In 2025, when councils proposed banning more than 350 plant species as serious weeds, NZPPI presented technical evidence and worked with councils to cut the list to around 20 species, which we agreed should be managed.
Horticultural plastics	New waste regulations require our industry to manage horticultural plastics with collection and recycling systems in place for plastic pots and trays. In time this will be extended to include crop covers and irrigation tube.	Set up collection and recycling with industry schemes and agreed standards. Our industry's reputation and ability to operate relies on our collective effort in sustainability.

Drive commercially successful plant propagation

Native plant revegetation is a core investment for our future, not a luxury. However, native plants are more expensive to grow and have lower establishment success than exotic species.

NZPPI works to share best practice management, research and innovation while advocating for stable public funding. Our nurseries need commercial security to continue.

Our native plant nurseries commit significant outlays to protect Aotearoa New Zealand's taonga species. For example, by investing in a common systems approach according to the Plant Pass standard, native nurseries demonstrate measures to protect kauri from dieback disease.

NZPPI collaborates with Te Uru Rākau – New Zealand Forest Service to share knowhow and ensure that Crown research translates into real-world, research-informed advice for native plant production. The Producer Extension Network is geared towards real commercial improvement, not just technical training.



What's at stake: plant health and biosecurity

A biosecurity crisis hits you first.

Your business depends on your ability to move plants and plant material, whether within New Zealand or across the border.

Scrutiny of plant production is increasing. Officials understand that the movement of plants increases the risk of spreading pests, diseases and weeds into sensitive areas and to growers and forests.

The myrtle rust crisis showed how nurseries can face stock losses, movement restrictions and new biosecurity rules almost overnight.

Have readiness and response plans in place.

The Government Industry Agreement (GIA) is a partnership between government and primary industry groups to manage biosecurity together. Industry groups that sign up get a say in how the country prepares for and responds to pests and diseases. In return, they share the costs.

As a GIA signatory, NZPPI is at the table to speak for you with a strong voice when decisions are made. To have influence, we need the right people, expertise and funding.

Many primary industries have a separate Biosecurity Act 1993 levy that is ring-fenced to meet industry obligations for readiness as well as response, such as Summerfruit NZ (currently 0.05% with a maximum of 0.25%), Kiwifruit Vine Health (currently 0.8%) and Vegetables NZ (currently 0.05% with a maximum of 0.2%).

The plant production industry currently has no reserves to pay the cost of an incursion response. The cost of a biosecurity event would be recovered from NZPPI by the government, potentially putting the industry body under major strain at its weakest moment. With a levy our industry can prepare.

Follow a common plant health approach.

NZPPI manages the Plant Pass scheme, New Zealand's nursery production standard for plant health and biosecurity, on behalf of the scheme's owners in industry and government.

With a common systems approach, Plant Pass gives the whole industry one standard, instead of a different scheme for each sector or buyer. That means one auditor up your driveway. Currently 65% of plants are produced by Plant Pass nurseries.

Plant Pass shows government how our industry can manage our own risk without more rules being written. Current reform of the Biosecurity Act may require more industry responsibility, which Plant Pass can help meet. NZPPI works to ensure that Plant Pass remains practical, relevant and voluntary.

Plant Pass helps protect you and your customers from being caught in a biosecurity crisis. The faster we can demonstrate that we are managing the risks collectively, the faster our nurseries can get back to work.

Why plant producers are exploring a levy

A strong voice under threat

In 2016 around 80 businesses formed NZPPI to ensure that plant producers have one strong voice with government, councils and our aligned plants industries.

For the past ten years, NZPPI has stood up for all plant producers where decisions are made. Much of NZPPI's work has benefited every nursery in the country – non-members as well as members.

Funding no longer sustainable

However, NZPPI's voluntary subscription model can't keep up with what government now expects of industry. Funding is becoming unstable as economic swings affect voluntary contributions.

On our current trajectory, we will soon be facing a widening gap between industry funding and NZPPI's work programme. By 2028, voluntary membership is forecast to leave a third of levy-applicable activities* unfunded. That shortfall is likely to increase as new obligations are put on our industry.

Without stable funding, NZPPI will have to change how it operates. Some of our advocacy, technical work and industry programmes will have to cease.

Exploring a levy

Most primary industries fund their industry body through a commodity levy. Fruit and vegetable growers, forestry, arable and livestock all do.

A levy is fair. Everyone who benefits from industry good work pays a small, equal share based on their plant sales.

Critically, a levy gives a full industry mandate. When everyone contributes, NZPPI speaks for the whole industry with government, councils and other industries. That carries more weight than speaking for some of it.

A levy is practical. The extra stability of a levy means NZPPI's work doesn't stop when times are tough and our team's valuable technical skills and industry knowledge aren't lost in a downturn.

*Levy-applicable activities exclude user-pays commercial services such as the Plant Trolleys scheme and delivery of government/industry funded programmes Plant Pass etc. See Appendix for details.

Consultation process and timeline

Below is a preliminary timeline, which may change as we engage more in the process with government and industry.

September 2026

NZPPI members voted in favour of the motion to pursue the establishment of a commodity levy at the NZPPI Annual General Meeting.

December 2026

A levy proposal is developed and presented to the industry for feedback.

January to April 2027

Industry consultation through SHED meetings, online sessions and a written feedback period. All businesses in the industry are included.

May 2027

Report back and refine, publishing any changes to the proposal. The NZPPI Board confirms the proposed rate, maximum rate, activities and collection method.

June 2027

All potential levy payers vote in a referendum.

July 2027

Following a yes vote in the referendum, industry makes an application to the Minister for Primary Industries.

NZPPI votes to adopt a new constitution at a Special General Meeting in order to begin collecting levies instead of membership subscriptions.

March 2028 (estimate)

If approved, the Order in Council made and gazetted at least 28 days before it takes effect.

April 2028

The commodity levy takes effect.

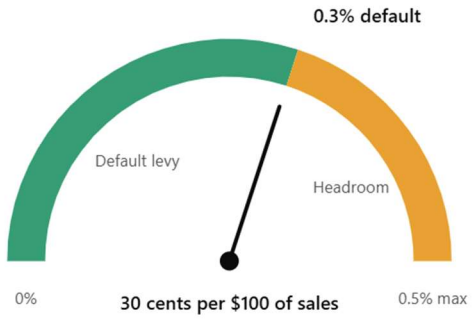
Our levy proposal

Commodity levy rates

NZPPI's proposal (as of December 2026) is to establish a value-based commodity levy of up to a maximum **0.5%** applicable on the sale of nursery stock.

This means that a levy rate may be set within the range of **0.0% - 0.5%.** The maximum levy rate would be capped at **0.5%.** The capped rate would apply only in special circumstances, such as an adverse event.

A default, or target, levy rate of **0.3%** would be in place. If the levy rate moves above this level, then NZPPI would work to move it back to the target rate over time.



How much you would pay

A levy of 0.3% would mean you would pay $3,000 for every $1 million of turnover form the sale of nursery stock.

Safeguards

Once a levy rate is set, it can only be changed by a vote of plant producers

- The levy rate is set annually at an Annual General Meeting, based on a vote from plant producers. The levy cannot exceed the maximum rate stated in a levy order.
- The maximum levy rate can only be changed when a levy order is renewed every 6 years, based on a vote from plant producers.

Levied activities

The Commodity Levies Act 1990 requires the industry body to state the specific activities that the levy would fund. It is proposed that a levy would cover the following activities.

- **Advocacy and representation** – A levy would fund the critical policy and technical work that ensures that rules are justified and workable. NZPPI prepares submissions and develops relationships with ministers, officials, councils and other industry bodies.
- **Programme and industry delivery** – For example, extension programmes, the Young Plant Producer of the Year competition (in collaboration with IPPS), education scholarships, health and safety guidance with WorkSafe.
- **Information and engagement** – SHED meetings, biannual conference, communications and briefings.
- **Administration and governance** – Office, staff and operating costs, board governance, constitution and reporting.

Industry partnerships remain

NZPPI industry partnership will remain as a form of voluntary membership available for businesses that do not grow plants but are part of the wider industry with an interest in NZPPI's objectives – for example plant retailers, landscapers, industry suppliers and plant buyers and procurers such as councils and government agencies. Industry Members are not represented on the NZPPI Board and do not get a vote in board elections. Annual revenue from industry partnerships (approximately $75,000) covers the costs for benefits shared by all members, but is not used for levy applicable activities. This revenue is not included in voluntary subscription revenue in this report.

Your safeguards

Referendum: NZPPI cannot introduce a commodity levy without support from the wider industry. Each plant production business that would be required to pay a levy will vote in a legally binding referendum.

Double majority vote: If the majority (both by number and by weighted value) of businesses vote in favour, then the Minister for Primary Industries can make a recommendation to Parliament to issue an Order in Council.

Minimum turnover: The levy will be applicable only on a nursery industry turnover on plant sales above **$100,000**.

Commodity levy rate fixed in legislation: Should the board decide that for any reason a commodity levy rate increase over 0.3% up to the stated maximum of 0.5% is warranted, the constitution will require a producer vote at a general meeting and thereafter every endeavour must be made to return to the target 0.3%. The levy rate can only be increased above the maximum 0.5% through a new commodity levy order with an industry-wide double majority mandate.

Level playing field: A commodity levy is a legally binding Order in legislation. Avoidance or non-payment of levies that are owed is a criminal offence carrying fines.

No double levies on point of sale: The levy will not apply to the sale of nursery stock that is already subject to a commodity levy order. The levy will not apply to plants that are propagated and used internally within a grower's own business, where a separate commodity levy applies.

Expires after 6 years: All commodity levy orders expire after 6 years and must be put to a new industry referendum.

Specified activities: The levy may only fund a published list of activities. Commercial services run by NZPPI stay outside the levy and are funded on a user-pays basis, for example the Plant Trolleys hire scheme, Go Gardening magazine, and sector promotions such as National Gardening Month. The levy will also not directly fund services for leveraged revenue from grants and programme delivery, such as delivery of the Plant Pass scheme and the Producer Extension Network NZ.

Scrutiny and governance: All levy payers receive independently audited annual financial statements that detail how levies have been spent in accordance with the commodity levy and also biosecurity levy orders. All levy payers can vote for, and stand as, grower-elected directors on the industry body board.

Your data is confidential: The referendum will be held through an independent election service, which will collect your vote. Your voting choice is kept separate from information that identifies you. NZPPI and the Minister for Primary Industries will only receive aggregated results. **Other data collected related to the referendum, including eligibility details, information about your levy status or the volume or value of levied product, voting credentials, participation record and technical data may be shared with independent auditors to verify your eligibility.**

A future biosecurity levy

In the future our industry may consider establishing a biosecurity levy under the Biosecurity Act to fund our obligations in a significant biosecurity incursion event under the Government Industry Agreement (GIA). For example, a biosecurity levy of **0.03%** payable on $500,000 of annual plant sales is $150.

Biosecurity Reserve Fund

A ring-fenced Biosecurity Reserve Fund e.g. of $500,000, could be set aside to cover industry obligations in a government-led response to a biosecurity incursion affecting the plant production industry.

For example, the Biosecurity Reserve Fund may accumulate to a stated reserve limit of $500,000 and thereafter reduce the biosecurity levy rate back to 0%. Similarly, following a biosecurity response, the Board could adjust the rate up to the maximum stated rate of 0.1% to replenish the fund.

NZPPI is not proposing a Biosecurity Levy during this consultation, however this may be considered in the next 2-3 years.

What to do now

Check if you are eligible to vote

Contact us to find out if you are a potential levy payer and what it will cost your business. You can register to vote in the levy referendum, give your feedback and stay up to date with the proposal.

Join a consultation event

Register your interest to attend a SHED meeting or an online webinar. We will address your questions and take your feedback on board in designing the proposal.
Email: **office@nzppi.co.nz**

Get answers now

If you would like to discuss any aspects of this levy proposal now, please contact:
Matthew Dolan, Chief Executive, NZPPI.
Phone: **027 622 9255** Email: **matthew@nzppi.co.nz**

Contact your NZPPI Board member

- **Nick Hoskins** – Horticulture & Viticulture / Board Chair / nick@vinemanagers.co.nz
- **Greg Kitson** – Greenlife Retail / Vice Chair greg@ambrosia.net.nz
- **Jane Straka** – Afforestation & Revegetation / jane@scrub.co.nz
- **Jim Hadlow** – Producer Member (at large) / jim@acersunlimited.com
- **Andrew Boylan** – Appointed Board Member / andrew.boylan@edibles.co.nz

nzppi

NEW ZEALAND PLANT PRODUCERS INCORPORATED

