

Nursery Industry 2010 - 2015

The Strategic Plan for Australia's greenlife industry,
including its nursery, garden, landscaping and related sectors



Know-how for Horticulture™

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Kiri-ganai research

Our Vision

A unified Australian nursery and garden industry that is productive, profitable and sustainable.

Our Plan

This plan has been called for on the basis that:

- Our industry has the promise of growth if we speak and promote ourselves with a unified voice and capitalise on opportunities through collaboration;
- Over the next five years, the industry is likely to invest around \$10 million dollars of levy funds in activities that support our vision;
- These levy funds are likely, from past experience, to be significantly outweighed by the collective investment of industry participants; and
- These levy and other funds need to be invested strategically to attain the highest return on investment.

Our Objectives

1. Increase the sales value of nursery products and services through marketing and promotion;
2. Enhance the capacity and efficiency of the industry's resources through upgrading industry skills, knowledge and practice;
3. Build industry support through shaping government, public and related industry understanding of the industry's benefits, and enhance these benefits through collaboration;
4. Invest in nursery product/service development to enable the industry to respond to growth opportunities and challenges; and
5. Support the industry through services and resources that enhance its capacity to respond to issues, capture opportunities and achieve the vision of this strategic plan.

Our Industry

Australian nursery and garden businesses make up a multi-billion dollar industry that plays a vital part in the human (community and personal), environmental and economic well being of Australia. It is a truly Australian industry, transcending all state borders and spreading across urban, rural and coastal environments. Production areas are well established with some having been in existence and having industry representation for over 100 years.

The industry is far broader than the perceived "ornamental" market, with businesses involved in large scale forestry, nurseries, medicinal products, flowers, alcohol production, revegetation for mining, landscaping and starter plants for fruit and vegetable production all engaged as levy payers.

With many challenges confronting the industry, the Australian nursery and garden industry seeks to muster its creative and productive capabilities to ensure its ongoing growth so that it continues to serve the interests of both its members and the nation.

Challenges & Implications

The industry's strengths, weaknesses, opportunities and threats

Strengths

- We have a diversity of growing conditions and production areas;
- Our industry is well established with an experienced business sector;
- All industry sectors have growth potential due to increases in population;
- International technology is easily transferred to the Australian market;
- The broad spread of distribution channels makes nursery products and services easily accessible to our customers and consumers;
- Plants in the urban environment have a major position within the Climate Change debate;
- The Australian lifestyle and weather is conducive to being outdoors all year.

Weaknesses

- The impact of Climate Change and drought/water shortage on markets;
- While also a strength, the diversity of growing regions and distance from major markets makes cooperation and improving efficiency difficult;
- Australia's Federal political system, with differences in State regulations, impacts on plant movements;
- As a result of education or background, many consumers do not understand the benefits of nursery and garden products in relation to their lifestyle, home environment and earth environment;
- The ability of the industry to attract and retain staff to train and have the skill set as future managers and leaders is difficult;
- There is a limited pool of funds to promote the industry;
- There is decreased interest in "gardening" due to changing lifestyle – i.e. bigger homes, smaller blocks, increased units/flats, decrease in back yard size;
- Industry profitability is very reliant on weather patterns at critical times of the year;
- There are few barriers to entry for businesses to produce plants;
- There is no defined best practice in the retail stream of the industry and this may present a range of threats (see below) including biosecurity risks.

Opportunities

- Climate Change provides a positive role for increased Greenlife in the urban environment (indoor and outdoor);
- Increased focus on food security will provide opportunities for nurseries supplying this sector;
- The sector can play a vital role in preventing, stabilising and reversing environmental degradation;
- Technology developed, i.e. Industry Best Management, water management etc, has export potential;
- There is considerable room for demonstrating how gardens and Greenlife can improve personal health and wellbeing and increase property value (plants appreciate over time);
- Improvement in profitability can be found not only in new technologies and better business practices, but also through all stages of the supply chain working together more efficiently;
- Encouraging gardening to start at an early age can have a positive impact on future behaviour;
- House size increasing and domestic gardens shrinking provides an opportunity to sell more indoor plants and outside shade trees to reduce reliance on air conditioning/heating;
- Garden retailers and media are ideally positioned as the public's "Green Advice Shop";
- New forms of non-traditional advertising and other channels provide the ability to target consumers in niche segments;
- We can bridge the gap between people's desire to have a great environment and their participation in gardening;
- There is room to position the Industry as the information leader in the category for products, employment and training.

Threats

- Government policy can both help or hinder increased expenditure in horticultural activities and Greenlife purchasing in all sectors;
- Ongoing drought and water restrictions;
- The education sector, including TAFE, is decreasing its support for industry due to the industry not being perceived as attractive to potential students;
- Lack of accurate industry data to measure impacts and values of investment activities;
- The perceived low value of plants together with rising cost inputs has put a squeeze on margins throughout the supply chain;
- Limitations on key resources – particularly skilled labour and efficient transport;
- Biosecurity policies of States can severely impact plant movement;
- There are a lack of national standards for plant production;
- The lack of unity between industry representative bodies limits both investment efficiency and outcomes;
- Gardening is positioned in the discretionary spend segment for most consumers and has to compete with many other industries and categories for consumer time, disposable income, lifestyle and enjoyment;
- Importation of product from bordering countries as part of Free Trade Agreements can impact on both profitability and plant health, such as through a major pest incursion.

Implications for the Plan

Industry representatives have identified a range of desires for the Strategic Plan to achieve, including:

- Promotion of the industry as a valuable career choice;
- Positioning the industry's values/benefits with all sectors of the Australian community and promoting the value of "Greenlife" to consumers;
- Establishing benchmarks and key performance indicators (KPIs) for the industry;
- Establishing industry as the key to climate change solutions;
- Rallying a unified industry that has unity of purpose and common goals;
- Enhancing the market awareness of industry participants;
- Enhancing the adoption of best management practice and use of technology;
- Effective communication that enhances cooperation, commitment and trust within and across the different supply chain sectors;
- Expansion into other industry sectors;
- Growing an alliance of "Green industries" based on common aspirations;
- Better utilisation of industry skills to foster efficiency and growth;
- Growing the industry membership base to provide a sound financial platform for industry investment;
- Improving interaction with Government to win its support and acknowledgment for the industry's value and contribution to the public good.

Taking a Whole-of-Industry Approach

Achieving the industry’s vision of “A unified Australian nursery and garden industry that is productive, profitable and sustainable” depends on a whole-of-industry approach.

This is the strategic plan of the whole nursery and garden industry and not of any one sector or any of its peak bodies or associations. The industry must work and be seen to work as a whole rather than a loose assembly of individual sectors. With increasing consolidation through the value chain, enhancing competitiveness will depend on improving the efficiency and value of services and infrastructure throughout the whole chain. Growers are an integral part of the value chain and their future depends on their ability to work effectively with other sectors. Likewise, the health of these other sectors depends on a strong, profitable production base.

Delivering the Plan

Time horizons of the Plan

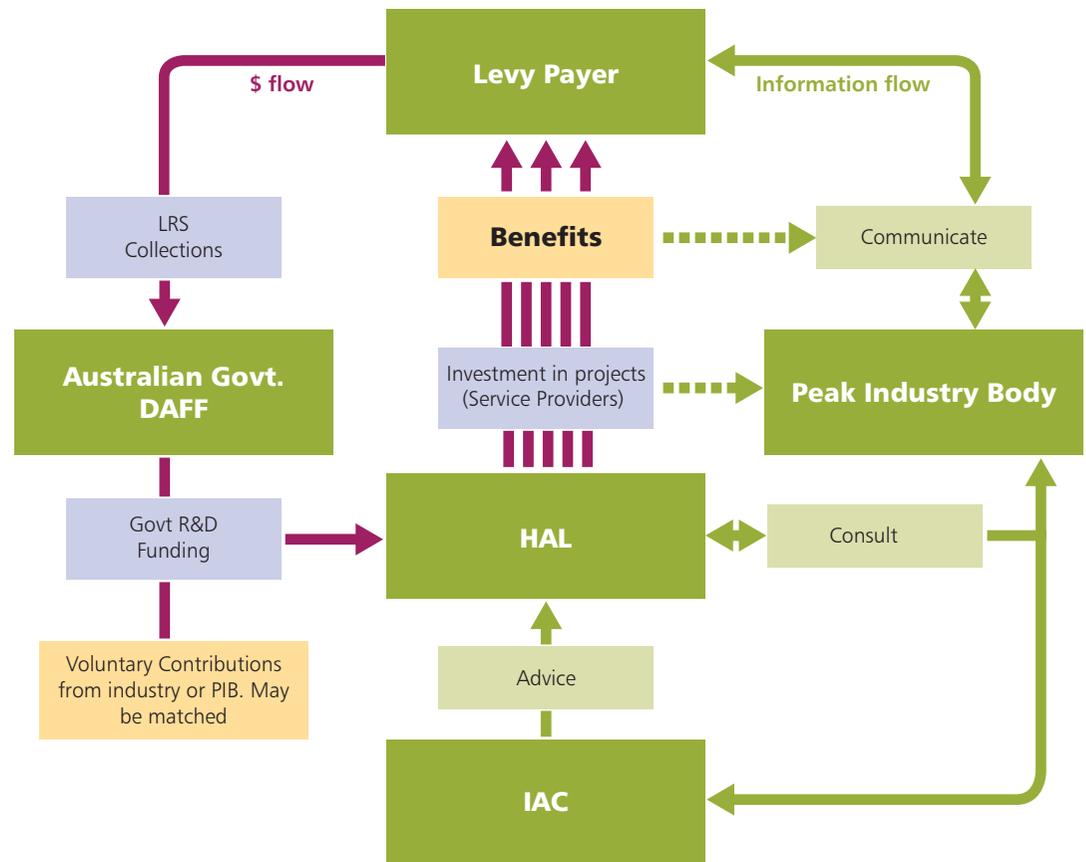
This Plan will be implemented and operate over a five-year time horizon: 2010 to 2015. This divides into two critical timeframes:

Medium term (i.e. from 3-5 years out to 2015) – this is the time horizon in which we expect significant progress in achieving the outcomes sought through the Plan.

Short term (i.e. within the next 3 years to June 2013) - many of the strategies represent existing or new core business of the industry that needs to be addressed and implemented immediately or within this short term horizon of three years.

Responsibilities for delivering the Plan

Although this Plan is an industry-wide plan, many aspects relating to research, development and technical extension will be delivered through the investment framework based around the levy system established by the Australian Government and administered through Horticulture Australia Ltd (HAL) (see Figure right). Many aspects of the plan will, therefore, influence the investment decisions of HAL and its Industry Advisory Committee (IAC). Strategies relating to Government relations and Agri-political activities will not be funded from levy based funds.



Being an industry-wide plan, however, will mean the achievement of the vision and the outcomes will result from the commitments given by all sectors of the industry to implement the strategies within their own sectors and businesses. This responsibility can be made tangible by the many individual businesses and associations aligning at least some part of their own strategic plans to those parts of this plan that can deliver mutual benefits.

Role of the NGIA

This is a broad strategic plan for the whole of the industry sector and therefore carries with it a range of implementation challenges. The Nursery & Garden Industry Australia (NGIA), as a peak industry body, can play a vital role in helping ensure there is accountability in the investment of industry levy funds by HAL through the plan. Moreover, as a key industry service provider, the NGIA can help deliver many aspects of the plan through contract provision, facilitation of industry partnerships and advising industry sectors on the role they can play and the benefits they can gain by aligning investments to the strategies of the plan.

It is envisaged that the plan will need to adapt to changing circumstances and this will be assessed by the NGIA Board in consultation with the entire industry (and not just its members). The Plan will be reviewed annually along with the levy program at an event held in conjunction with the annual general meeting of the NGIA.

Included in the plan is a communication strategy which differentiates different target markets for the NGIA and HAL to engage with in ensuring that the implementation of the plan recognises and rewards collaboration and broader industry commitment to the plan.

Recognising a new operating environment

In implementing this plan, industry participants need to recognise that our customer and operating base has shifted significantly over the years. Where once the relationship between participants, such as garden centres and home gardeners, was a key focus for industry attention, the face of the public and the customer has broadened in profound ways. Landscapers, designers, councils, developers, and other corporate and government identities are now more than ever shaping what is demanded of our industry. Implementation of activities under each of the plan's strategies needs to be tailored in such a way as to recognise this shift and help industry participants respond appropriately.

The Australian Nursery and Garden Industry Strategic Plan

VISION

A unified Australian nursery and garden industry that is productive, profitable and sustainable

Objective 1

(Markets)

Increase the sales value of greenlife products and services through marketing and promotion

Outcome

Investment in this objective will increase in value by CPI + 2% per annum

Objective 2

(Capacity)

Enhance the capacity and efficiency of the industry's resources through upgrading industry skills, knowledge and practice

Outcome

Investment in this objective will drive a year-on-year increase in the participation rates in capacity building activities

Objective 3

(Communication)

Build industry support through shaping government, public and related industry understanding of the industry's benefits, and enhance these benefits through communication

Outcome

Investment in this objective will stimulate greater expenditure directed to increasing the coverage of the Australian urban forest

Objective 4

(Innovation)

Invest in greenlife product/service development to enable the industry to respond to growth opportunities and challenges

Outcome

Investment in this objective will yield higher returns on investment for overall industry funds directed towards research and development

Objective 5

(Governance)

Support the industry through services and resources that enhance its capacity to respond to issues, capture opportunities and achieve the vision of this strategic plan

Outcome

Investment in this objective must lead to the achievement of all KPIs outlined in the strategic plan

Objective One

Increase the sales value of greenlife products and services through marketing and promotion

| Strategy | Strategy 1.1 | Strategy 1.2 | Strategy 1.3 |
|---|---|---|---|
| Sub-strategies | Establish and manage a resource centre for marketing material based on customer profiles, preferences, behaviours and trends | Support research and market studies that identify, and where possible quantify, the values and benefits associated with the industry's products and services | Provide a public relations interface that promotes the benefits and opportunities of the industry to schools (teachers and children) and to the wider community. This sub-strategy needs to link with the marketing plan of Strategy 1.1. |
| | Develop and implement an Australia-wide marketing and promotion program recognising the respective roles of different industry participants | Develop and promote alternative usage ideas for the full range of industry products and services Expand the range of products and services offered by investigating new and emerging opportunities and promoting these to the industry's entrepreneurs | Identify new or underutilised target markets for specific promotion campaigns |
| Results | Year-on-year increase in sales of nursery and garden products and services | An expanded range of products and services contributing to increased value of sales Increase in new customer segments by 2015 | Year-on-year increase in schools participating in NGI activities. |
| Investment in this objective will increase in value by CPI + 2% per annum | | | |

Objective Two

Enhance the capacity and efficiency of the industry's resources through upgrading industry skills, knowledge and practice

| Strategy | Strategy 2.1 | Strategy 2.2 | Strategy 2.3 |
|----------------|---|--|---|
| Sub-strategies | Utilise cost effective methods such as electronic media to promote industry as an attractive career pathway for potential employers | Improve extension and adoption of industry best practice through comprehensive program-based extension strategies | Implement and constantly improve industry accreditation schemes recognising the evolving customer base |
| | Develop and implement an industry-wide training strategy that matches industry skills to employer needs | Regularly update extension material to reflect current best industry practice | Acknowledge and reward individual and industry sector achievements through a range of mechanisms |
| | Improve the quality of content in recognised training packages by constant negotiation with Government bodies | Enable easy access of information about best management practice to those unable to participate in formal extension activities | Document and promote to customers the value of industry accreditation schemes |
| Results | 80% employers' satisfaction they can attract and maintain adequately trained staff. | At least 50% of producers uses best industry practice applicable to their business | At least 30% of industry participants are accredited where accreditation schemes are applicable to their business |
| | Investment in this objective will drive a year-on-year increase in the participation rates in capacity building activities | | |

Objective Three

Build industry support through shaping government, public and related industry understanding of the industry's benefits, and enhance these benefits through communication

| Strategy | Strategy 3.1 | Strategy 3.2 | Strategy 3.3 | Strategy 3.4 |
|----------------|---|---|--|--|
| Sub-strategies | Develop and implement an industry communication plan to foster communication of relevant information across and between all sectors of the industry as well as ensuring the public are well informed about the benefits of the industry | Develop industry policy positions on issues that impact the industry and its surrounding communities | Provide forums for regular cross industry interaction to ensure effective relationships between sectors that enhance unity, common purpose and consistent messages to the public | Identify value chain and logistics weaknesses across the industry and address these through collaborative action |
| | Provide forums and other mechanisms to constantly listen to and respond to stakeholder ideas, concerns and questions | Work with government, NGOs and other industries to identify and facilitate support for nursery and garden solutions to a range of social and environmental issues | Develop strong and effective partnerships across industry in activities that exemplify and strengthen unity | Identify how value chain relationships can support new product and service development |
| | Document industry contributions to regional economies and the environment to underpin promotion and stakeholder communication | | | |
| Results | Year on year increase in public support for the industry and its benefits manifested in increased sales | Increase in Government understanding of the industry, inclusion in policy development and funding support | Year-on-year increase in relationship satisfaction among industry participants | The combined strength of each stage of the value chain maximises profit to all industry sectors |
| | Investment in this objective will stimulate greater expenditure directed to increasing the coverage of the Australian urban forest | | | |

Objective Four

Invest in greenlife product/service development to enable the industry to respond to growth opportunities and challenges

| Strategy | Strategy 4.1 | Strategy 4.2 | Strategy 4.3 |
|----------------|--|---|--|
| Sub-strategies | Support forums and analyses to identify new and emerging opportunities for industry growth | Position the industry as a leader in establishing climate change solutions through the use of green stock | Develop a monitoring and evaluation (M&E) strategy that helps identify the benefits of R&D investments |
| | Identify and negotiate partnerships that can investigate new opportunities and bring these to fruition | Ensure the adequate provision of and access to, water for all stakeholders (producers, resellers and consumers) | Work together with research and other service providers to implement the M&E strategy where these providers are utilising industry R&D funds |
| | Annually articulate the priorities for research investment for the following year | Utilise current/existing R&D regarding "clean air" to promote the benefits and usage of green life in and around the home | Promote the benefits of industry R&D investment as a means of increasing voluntary and other contributions towards future R&D activities |
| | | Encourage the uptake of green infrastructure strategies particularly in commercial projects | |
| Results | Increased quantum of investment in new growth opportunities | Enhanced adoption of technologies across sub-strategy investments | Confidence among IAC and HAL members that R&D funds are well invested |
| | Investment in this objective will yield higher returns on investment for overall industry funds directed towards research and development, contributing to increased industry value (Obj 1). | | |

Objective Five

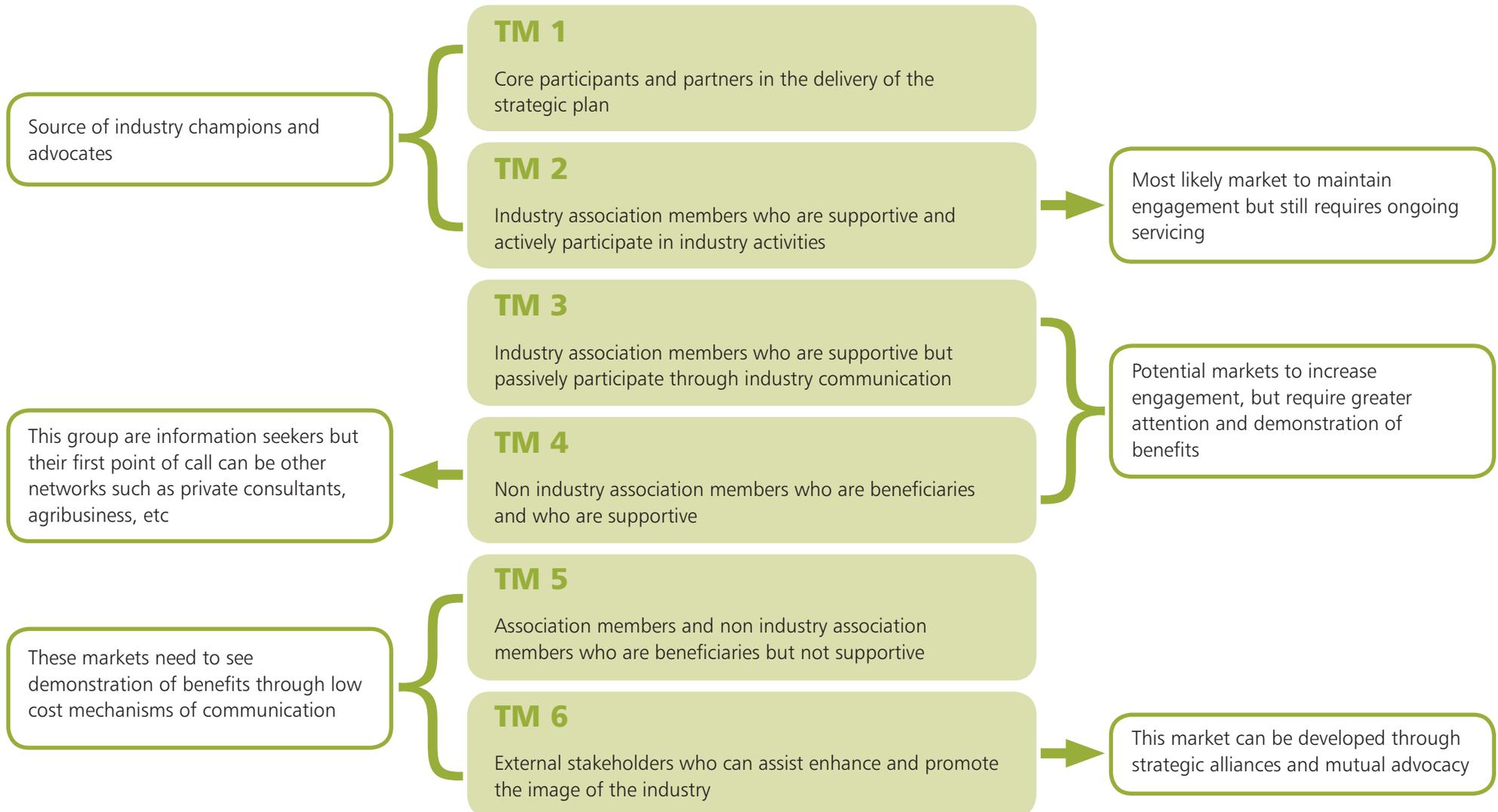
Support the industry through services and resources that enhance its capacity to respond to issues, capture opportunities and achieve the vision of this strategic plan

| Strategy | Strategy 5.1 | Strategy 5.2 | Strategy 5.3 | Strategy 5.4 |
|---|---|---|--|---|
| Sub-strategies | Well informed industry | Increasing funding | Efficient service delivery | Risk management planning and responses, including biosecurity |
| | Develop collaborative links with international associations to gather market trends | Develop an industry-wide agreed strategy to justify and underpin strategies to increase government, industry and other investment in the industry | Develop leadership and governance skills of current industry leaders to enhance the effectiveness of industry structures and relationships | Strengthen current industry plans to underpin rapid response to emergencies |
| | Collect and communicate to industry members improved information on production and market trends, including forecasts, to underpin production, product development and distribution decisions | | Document and implement best management practices for the range of administrative functions industry associations provide to their members | Educate industry participants on emergency planning and carry out training exercises to ensure industry preparedness for a range of emergencies |
| Support analyses and debate to identify emerging issues so that industry can respond to these in a timely fashion | Increase membership across NGI-related associations | Seek industry cost reduction through collaborative actions between National and State industry bodies | Enhance industry resilience to biosecurity risks by working closely with government agencies | |
| Results | 80% of industry participants feel they have access to good information if they choose to seek it | A net growth in industry funding to support industry-wide investments | 80% of industry participants have confidence in their industry leaders and associations | 80% of industry participants have a risk management strategy in place by 2015 |
| | Investment in this objective must lead to the achievement of all KPIs outlined in the strategic plan | | | |

Communicating the Plan

Target markets for engaging with activities associated with the strategic plan

The industry supports a wide range of communication activities, and these have been embedded into this strategic plan. However, communicating the strategic plan itself is important to rally commitment around achieving its vision and objectives. That said, not all industry participants have the same characteristics and will view the opportunities in the plan in different ways. For this reason, the plan differentiates different target markets:



Target markets, tactics, key messages and desired responses

Target Market 1 – Core participants and partners in the delivery of the strategic plan

| Characteristics | Tactics | Key Messages | Desired Response |
|---|---|--|--|
| NGIA, HAL and other industry or government partners who support/fund activities directly related to the implementation of the strategic plan. | Build internal collaboration, momentum and an energetic ethos through reporting and networking. | The strategic plan benefits all partners in the industry, but requires goodwill and cooperation, and recognition of effort to be successful. It is vital to understand where each partner is at in the stages of implementing the plan. | Recognition of collaborating in the implementation of the plan is exciting and rewarding and a productive model for expansion of partnerships. |

Target Market 2 – Industry association members who are supportive and actively participate in industry activities

| Characteristics | Tactics | Key Messages | Desired Response |
|--|---|---|--|
| Leading growers and processors who are highly respected, concerned about the future of the industry and willing to actively participate in improving their own circumstances and that of the industry. | Personal invitation and engagement at the highest levels to participate in industry activities and in championing the plan to other target markets. | TM2 members will influence the direction and operation of major industry projects and interact directly with TM1 members in planning processes. | Engagement and enthusiastic advocacy as champions for the industry strategic plan and its associated activities. |

Target Market 3 – Industry association members who are supportive but passively participate through industry communication

| Characteristics | Tactics | Key Messages | Desired Response |
|---|--|--|--|
| Industry association members who are information seekers, but are either time-short or prefer to act independently in improving their practices or conducting their business. | Tailor products that can be understood and implemented without group or face-to-face interaction. Improve the perceived benefits of increased engagement in industry activities associated with the plan. | New industry activities have been designed specifically with you in mind. A new suite of extension, learning and networking activities has been designed to maximise the benefits of participation. | Increase in access to and use of industry information, and increased participation in industry activities. |

Target Market 4 – Non industry association members who are beneficiaries and who are supportive

| Characteristics | Tactics | Key Messages | Desired Response |
|--|---|---|--|
| Information seeking industry participants who do not see benefit in formal association but who are keen to improve their circumstances and that of the industry. | Demonstrate the value of the strategic plan, and the benefits of engagement in influencing the implementation of the plan (i.e. progress TM4 through to TM3 and TM2). | The strategic plan benefits all participants in the industry, but these benefits increase to those who are closely engaged. | Increased engagement in the activities associated with the strategic plan. |

Target Market 5 – Industry association members and non industry association members who are beneficiaries but not supportive

| Characteristics | Tactics | Key Messages | Desired Response |
|--|--|---|---|
| Industry participants who are skeptical about the value of the strategic plan and/or disagree with the priorities reflected in it. | Demonstrate the value of active engagement in planning processes, including the design of activities to be implemented under the plan. | Alternative views are respected and specific activities under the plan can be reviewed and improved. The strategic plan benefits all partners in the industry, but these benefits increase to those who are closely engaged. | Increased support for the strategic plan and its associated activities. |

Target Market 6 – External stakeholders who can assist enhance and promote the image of the industry

| Characteristics | Tactics | Key Messages | Desired Response |
|--|--|--|--|
| Government, industry bodies, community and catchment organisations with a wider remit than nursery and garden interests, but can gain mutual benefit by cooperating with the industry. | Personal invitation and engagement at the highest levels to participate in industry activities. Industry contribution to the planning and communication processes of TM6 members. | The nursery and garden industry benefits the economy, environment and social fabric of communities nationally, regionally and locally. | Effective and mutually rewarding partnerships with non-industry organisations. |

Budget

The Nursery and Garden Industry levy determines a considerable component of the total budget available to implement this strategic plan, including the allocation of revenue between promotion, research and training and extension. The total budget depends on revenue less a range of other commitments.

It is important that the industry seeks to increase its budget through collaboration and leverage of investment.

Further information

For further information about the Nursery and Garden Industry and its activities, contact the Nursery and Garden Industry at:



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