

ANNUAL REPORT

2018-19



Nursery & Garden Industry
Australia

Australian Greenlife Industry

The greenlife industry in Australia crosses all state borders and covers urban, peri-urban and rural environments. The industry is broad and encompasses the ornamental market and supplies starter plants for fruit and vegetable production and stock for landscaping, forestry and revegetation.

The importance of the Industry cannot be understated as it significantly underpins the food, fibre and foliage plant production in Australia and offers Australia both aesthetic and scientific solutions to climate mitigation.

Growers

- **>43%** of growers are 'micro businesses' turning over of **<\$500K**
- **26%** of growers turnover between **\$500K - \$2M** and **11%** turnover greater than **\$3.5M**.
- Operating costs as a percentage of turnover are **28%** and Wages are **32%**.
- **19,485 FTE** work in greenlife production.
- **64%** of employees are full or part time with **27%** engaged casually/seasonally
- **91%** of staff are in nursery production roles

Production (% of growers producing)

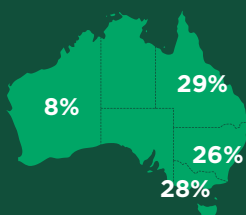
65% Perennials/Trees/Shrubs	17% Herbs/Vegetables
30% Propagation plants	14% Bedding & Potted Colour
22% Indoor plants	11% Other
18% Fruit/nut trees & vines	

Supply (% of growers selling to)

58% Retail	27% Government
67% Production wholesale	34% Primary Ind/Forestry
40% Landscape/Building/Dev	32% Direct to consumers

Geography (grower location)

29% QLD
28% VIC
26% NSW
8% WA
9% SA, NT, TAS combined



\$2.4 Billion

17/18 Farmgate value



1.9 Billion

plants in the environment and economy



1,651

greenlife production businesses in operation



25,000

employed as full time, part time or casual



6,616 Ha

Outdoor production



1,287 Ha

Indoor production



59% of growers invested in their businesses

Infrastructure and technology



53% of growers are planning to expand

Within the next 5 years

The Australian greenlife industry is a community contributing to Australia and all Australians through the uniqueness and diversity of its product and its people.

The industry encompasses the ornamental market and supplies starter plants for fruit and vegetable production and stock for landscaping, forestry and revegetation.

The importance of the industry cannot be understated as it significantly underpins the food, fibre and foliage plant production in Australia, contributes significantly to the economy and provides aesthetic and scientific solutions to climate change.



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President's Report

What a momentous year for the Nursery and Garden Industry (NGI), culminating in a vote by NGI members, to overwhelmingly support the establishment of Greenlife Industry Australia, as the new industry representative body across Australia. This has been in gestation for 15 years, and after the last three and a half years of consultation, debate and discussion, there was support to take the industry forward with a new and contemporary association structure.

Two seminal pieces of work were conducted during the 2018-19 financial year. The first, following the support from the NGI network of the NGIA Board, State Presidents and their Boards, was to develop a business plan for the proposed industry structure going forward. Brian Ramsay of Inovact Consulting was appointed to undertake this activity given his background and experience with industry association structures. After extensive consultation, Brian developed a report "Establishing a Contemporary Business Model for the Nursery and Garden Industry".

In November, a joint session of the NGIA Board, the State NGI Presidents and a number invited NGI members discussed the Future Model for the Nursey Industry. The discussion focused on the report developed by Brian Ramsay. A new strategic direction to move from the current federated model to a new model, with businesses and associations directly involved in the national body, was supported by the NGI associations at the session. The attendees at the meeting gave consensus to the following:

- Support a reinvention of NGIA and form a new national body.
- The new body will be a hybrid model and include both businesses and state associations in direct membership, with a focus on developing markets, reducing costs, and protecting investments.
- A Transition Team be formed with NGI members to develop an Information Memorandum for Members to consider by June 2019.

The second was the work of the Transition Team, whose members were - Russ Higginbotham (Chair), Glenn Fenton, Colin Groom, Andy Cameron, Robin McLay and Chris Simon, to develop the Information Memorandum which was the defacto prospectus for the vote by members on Greenlife Industry Australia. The vote to support the establishment of Greenlife Industry Australia took place at an Extraordinary General Meeting on 12 June where members voted 90% in support to establish Greenlife Industry Australia. The transition from NGIA to Greenlife Industry Australia will be subtle but will has four significant aspects.

The first being the name change where Greenlife Industry Australia is more indicative that we provide plants (greenlife) more broadly than just the gardening sector. The greenlife producers provide plants to gardens, parks, landscapes and homes; for fruit, vegetable and nut production; and the floral, foliage, forestry, rehabilitation and medicinal industries.

The second is moving from a state representative to a skills based board that requires skills across the areas of strategy, change leadership, industry knowledge, governance, marketing, communication and financial management. The inaugural board of Brain Acworth, Josh Byrne, Glenn Fenton, Ben Grange and I has been selected based on a combination of skills and we will recruit the two additional directors to provide the full complement of seven for the board.

The third is the membership structure where Associations and industry businesses can be direct members. The other categories of membership are affiliate member, individual member and student member.

The fourth aspect is that the destiny of Greenlife Industry Australia's operation is "in its hands". As a direct member association, Greenlife Industry Australia must provide services, benefits and value to its members through developing markets, reducing costs and protecting investments. It will do this through advocacy to government, managing plant biosecurity activities, optimising intellectual property and delivering the outputs of relevant projects.

Going forward in these times of climate change, global warming, water

scarcity, food production for an ever expanding global population and increased urbanisation across Australia, the greenlife industry will assist to provide the solutions and help address these issues.

The NGIA Board saw the retirement of Geoffrey Fuller, who was replaced by Peter Jong as the South Australian representative for NGISA. Geoffrey completed his six year term on the board, and we thanked and acknowledgement him for his contribution to the industry over a long period of time. Peter brought fresh and "next generation" approach to the board and complemented the presence of Ben Grange and Ross Hooper. Hamish Mitchell was also co-opted onto the Board for the November 2018 to November 2019 period to assist in our approach to the nursery industry being more involved in a broader green industry alliance.

Ben, Ross, Paul Lancaster and David Howard continued in their roles as being the respective state director representatives for NGINA, NGIWA, NGIQ, and NGIV. Ben was voted to take over the Vice Presidents role from Paul Lancaster during the year. I would like to thank directors for their contribution to the operation of NGIA during the 2018-19 financial year, in particular with all the additional requirements with respect to the review of the NGI structure.

The activities of NGIA, as detailed in the CEO report, would not have progressed without the oversight from Peter Vaughan. Peter represented NGIA to provide excellent industry views to the Hort Innovation Investment Advisory Panel, the Voice of Horticulture Board, Hort Connections Conference and the Plant Breeder's Rights Consultation Group. This provides a base which can be utilised to further our network connections as the industry moves forward.

Peter was supported in the office by Jennifer Nesini, Kobie Keenan and Heather Henderson providing financial management, communications and administrative support respectively. Assistance from project team members John McDonald, Chris O'Connor, Matt Carroll, Tony Filippi, Steve Blyth and Grant Telford continue to deliver outputs from Hort Innovation and other projects.

Finally, I would like to acknowledge and thank the members of the three committees – The Future Structure Review Committee, the Structural Change Advisory Committee and the Transition Team, who contributed to the review of the industry structure over the last three and a half years. We rely on the support of members and their volunteering for roles on committees, and without them we would not be able to achieve many aspects of what we do as the industry representative body.



Karen Brock
President NGIA

CEO's Report

During the 2018-19 financial year, we continued to deliver against the strategic imperatives of industry statistics, communications, member benefits, building value and the industry structure, within in the 2016-2020 strategy for Nursery & Garden Industry Australia (NGIA). The following activities, projects and outputs were conducted and delivered against the five strategic imperatives.

1. Leverage Industry Statistics and Data:

The aim of this imperative is to have reliable and accurate industry statistics and data to assist with our policy development and advocacy undertakings at federal, state and local government levels. We were successful in our application for the three-year project - Nursery Industry Statistics 2016-17 to 2019-20. The project will build on the data obtained for the 2015-16 financial year and is again being managed by NGIA in partnership with Down to Earth Research and ACIL Allen Consulting.

During the year we conducted the survey of production nurseries and independent retail nurseries and the landscape industry for the 2017-18 financial year. The "customer" survey was conducted to validate the information captured from the greenlife producers. The key figures from the survey was that the approximate 1,700 production nurseries produced 1.9 billion plants with a "nursery gate" value of \$2.4 billion and employed the equivalent of 25,000 full time employees across Australia. Following liaison with the Australian Bureau of Statistics, they amended their survey to be in line with aspects of our approach.

These figures built the platform for NGIA to develop submissions and policy, engage in discussion and advocate on behalf of industry across areas such as plant health and biosecurity, water, energy, labour, chemical usage, quarantine and packaging. Our advocacy activities included the nursery industry on a national level, for production horticulture through the Voice of Horticulture and the NFF Hort Council and internationally through the International Association of Horticultural Producers (AIPH).

2. Engaging and Connecting Industry:

NGIA continued to manage two nursery industry communications programs in 2019. The first being the NGI member focused communications based on the NNN monthly e-newsletter. In particular, the activities around the review of the industry structure and transition team were communicated regularly to ensure all members were aware of progress leading up to the vote during the year. We also produced the first greenlife industry video to highlight the diversity, significance and importance of the industry.

The second program being the levy funded nursery communications we do in conjunction with Cox Inall Communications. During the year we completed the three-year joint program to February 2019 and were awarded the program, working with Cox Inall again, for another three years. The nursery levy funded communications includes the following channels for the delivery of details, updates and outputs of levy funded research and development projects: Social Media – Facebook and twitter; Blogs and Enewsletter through Your Levy @ Work; Pest of the Month; Nursery Papers; Case Studies – written and video; Media Releases and Podcasts – introduced under the new project.

3. Member Benefit Delivery:

The delivery of benefits to members has, as with the communications activities, been delivered through member and levy funded projects.

Nursery Production Farm Management System (NPFMS) – A program available to all members, is the NPFMS, that NGIA continued to deliver with administrative and auditing functions, under the NIASA, EcoHort and BioSecure HACCP programs. The marketing strategy was completed and implemented with the landscape sector and local government as the target customers, to lower their risk of pest and disease and increased quality when sourcing NPFMS produced greenlife.

Tree Stock Standard for Landscape AS2303 - This Australian Standard was agreed and finalised late in 2018 through facilitation by Chris O'Connor of NGIA. The standard was communicated, promoted and extended through workshops across the country. The workshops were very well attended by nursery, landscape and local government representatives. Businesses can now be audited under NIASA in relation to trees produced under the Standard.

Biosecurity Programs - The two nursery industry biosecurity programs –Building the Resilience and On-farm Biosecurity Capacity and National Nursery Industry Biosecurity Program have both passed their halfway point during the 2018-19 financial year. The projects have continued to meet their milestone requirements and were reviewed. The reviews provided recommendations on any refinements to the current programs and how they may continue after their current project periods to November 2020. Nursery industry plant biosecurity activities are an essential component of the work the industry bodies do to ensure we protect investments in nursery businesses.

Improving Pest Management for the Nursery Industry – NGIA was contracted to deliver this new project during the year. The project will implement two key assessments to inform and improve pest management within production nurseries through structured crop monitoring and associated integrated pest management (IPM) resources. A crop monitoring trial across seven nurseries will be supported by an economic assessments of pest management, to investigate the benefit/cost to growers.

Career Pathways Strategy - The most important issue and challenge industry is facing, is how to attract, develop and retain staff. NGIA and RMCG completed a project and developed a strategy based around industry promotion, defining jobs roles in nursery businesses, human resource management, a career pathway model and employment policies being proposed for progression.

4. Building Product and Industry Value:

NGIA continued to provide oversight and intellectual property for the delivery of the levy funded marketing program – 2020 Vision. It continued to focus on the four key audiences of Government, Business, Community and the Consumer. They are the target audience as they control the land where plants are grown - inside and out. The 2020 Vision continues to highlight the benefits of greenlife across all areas of our lives. The program will be renamed and repositioned given it is date restricted by 2020. The Plant Life Balance (PLB) continued as the consumer campaign with a focus on indoor plants.

5. NGI Structure:

This strategic imperative has the dual approach of addressing the NGI structure and how the NGI fits into the broader "green industry alliance" structure. As detailed in the President's Report after three and a half years of consultation, debate, reporting and discussion, a unanimous decision was made by NGIA members to support the establishment of Greenlife Industry Australia at the Extraordinary General Meeting (EGM) held on 12 June. NGIA and Greenlife Industry Australia will operate in parallel for a period of time in the 2019-20 financial year, to allow the transition and transfer of projects, assets, intellectual property and activities.

The second phase of "NGI Structure" is to have Greenlife Industry Australia as a leading member of a boarder "Green Industry Alliance" made up of nursery, turf, landscape, irrigation and other like-minded industry sectors. This will be an important advocacy group to address the issues of climate change, urban heat island and food production security.

Our attention is already focused on 2020 for activities that include the NGIA National Conference to be held in Perth in March, the development of the next strategy for the industry body beyond 2020, the transition of the 2020 Vision Marketing Program to its next phase and the recently announced International Year of Plant Health by the United Nations General Assembly.

I would like to thank the NGIA Board and staff for their support during the 2018-19 financial year and look forward to my continued role as CEO in managing the transition from NGIA to Greenlife Industry Australia. The aim is to engrain Greenlife Industry Australia as a highly reputable and respected organisation contributing to the health and well-being of all Australians.



Peter Vaughan
NGIA CEO
NGIA Company Secretary

Directors' Report

Directors

The names of the directors at the date of this report are:

Karen Brock (Tasmania) – President

Ben Grange (New South Wales) – Vice President

Ross Hooper (Western Australia)

David Howard (Victoria)

Peter Jong (South Australia)

Paul Lancaster (Queensland)

Hamish Mitchell (Victoria – co-opted)

Your directors present their report on the company for the financial year ended 30 June 2019.

The company has been operating under the new Nursery Industry Strategic Plan for the 2016-2020 period. The plan is for the Australian nursery and garden industry, with a vision to create a climate for our members and industry to grow and prosper.

Principal Activities

The principal activities of the company during the financial period were the representation, promotion and furtherance of the interests of the nursery, garden and allied industries in Australia. This included the management of the company's affairs, consultation with relevant Federal Government Departments and their instrumentalities, working with State and Territory industry associations and management of nursery industry levy funded projects as administered through Horticulture Innovation Australia Ltd (Hort Innovation). There were no significant changes in the principal activities of the company during the financial year.

NGIA 2016 – 2020 Strategy Objective

The overall objective of the strategy is: To deliver services, benefits and value to members.

Strategic Imperatives

To achieve the objective, NGIA continued to address the five strategic imperatives in the 2016-2020 strategic plan, which are detailed below:

1. Leverage Industry Statistics and Data

Aim: To assist our policy development and advocacy efforts by having reliable and accurate industry statistics and data and have an effective voice at federal, state and local levels.

Activities:

- Establishing and representing the industry's national policies in consultation with the State and Territory industry associations.
- Maintaining liaison with the Federal Government and other national organisations in relation to issues affecting the industry and its members.
- Ensuring accurate industry data and statistics are collected to support the policy, advocacy and lobbying activities.

2. Engaging and Connecting Industry

Aim: To improve communication with members, across the industry and to the wider community

Activities:

- Ensuring effective national industry communication on matters of significance.
- Communication of R&D levy funded outcomes.
- Maintaining the official National Trade Register of members' details for distribution to members in printed and electronic formats.
- Liaising on national training and education issues.
- In close liaison with State and Territory industry associations, initiate national member benefit schemes and events of an income generating nature. The distribution of any income to be agreed between the NGIA and State and Territory industry associations and be transparent to members.
- Liaising on issues relating to the Nursery Award 2010 and national industrial relations matters.
- Maintaining international relations.

3. NGI Structure

i. NGI Structure

Aim: To review the NGI structure to improve efficiency and remove duplication.

ii. Green Industry Alliance

Aim: To develop a long-term strategy and plan to create a peak body that represents the sector rather than individual industries.

Activities:

- Progress the review of the NGI structure and develop a Future Model for the industry representative organisation.
- Representing the Nursery Industry when appropriate including the Voice of Horticulture and "Green Alliance" groups.

4. Member Benefit Delivery

Aim: To optimise the Intellectual Property ("IP") that exists within NGI organisations (National and State) to maximise benefits and value to members

Activities:

- Liaison and consultation on Intellectual Property (IP) including Plant Breeders Rights (PBR).
- Monitoring the national chemical register and negotiations on related issues.
- Coordinating national quarantine and plant biosecurity activities in conjunction with national (including Plant Health Australia) and state agencies, including being the signatory to the Emergency Plant Pest Response Deed (EPPRD) and providing representation on the National Management Group (NMG) and the Consultative Committee on Emergency Plant Pests (CCEPP).
- Protecting, managing and facilitating the adoption of NGIA IP in specific business management and marketing programs.

5. Building Product and Industry Value

Aim: To improve the understanding of the role of plants in building capable, healthy and sustainable communities.

Activities:

- Highlight the diversity, uniqueness and significance of the Nursery and Garden Industry and its contribution to urban, environmental, rural and production horticulture in Australia.

It is a multi-billion dollar industry that plays a vital part in the human, environmental and economic well-being of all Australians.

- Liaising with Hort Innovation, ensuring that we have appropriate outcomes in light of the R&D and marketing activities and outcomes contained in the nursery industry Strategic Investment Plan 2017-2021.

The objectives of addressing the strategic imperatives are to achieve the following outcomes over the next 2-4 year period:

1. Ensure the financial viability of NGIA
2. Work to achieve the unified industry
3. Work to have the unified industry as part of a larger "Green Industry Alliance"

Short Term Objectives:

The short term objectives and key activities are listed below for the operation of the company in the reporting period that contribute to achieving the NGIA 2016-2020 Strategy objective:

- Manage the day to day activities of the business to ensure it is profitable and meets the requirements of members.
- Maintain the financial and human resources to ensure the operation and management of the company.
- Procure and manage projects to meet the objectives of the business and to deliver the outputs of projects for the benefit of members and the broader industry.
- Ensure the governance requirements of the company are managed and maintained.
- Liaise, communicate and interact with all stakeholders, including members, State NGI Associations, government, research organisations, academic institutions and Hort Innovation, on matters of impact and importance to the industry and the operation of the company.

During the year the company has been working for members in the following specific areas:

- NGI Network Structure Review and Future Model Development – Following the handing down of the Future Structure Review Committee report in November 2016 and the Structural Change Advisory Committee report in November 2017, the NGIA Board commissioned the development of a business plan for the future national industry representative body. An extensive consultation process with the NGI network of Boards and other members over September and October 2018 led to the development of a draft business plan.

A review of the business plan led to consensus to support a reinvention of NGIA and form a new national body, where the new body would be a hybrid model and include both businesses and state associations in direct membership. The new body is to focus on delivering "three pillars" being developing markets; reducing costs and protecting investments. A Transition Team was formed with members and produced an Information Memorandum for Members to vote on in June 2019. Members voted to support the establishment of the new entity – Greenlife Industry Australia Ltd.

- Biosecurity – NGIA worked with Hort Innovation on continued implementation of the National Biosecurity Program which commenced in February 2016. The program focuses on the areas of preparedness, awareness, minor use programs and market access for a period of five years.
- Submissions to Government – NGIA made a number of submissions and representations to Government including on biosecurity, the levy system, industrial awards, grower registration, quarantine and plant market access.
- Industry Communications – NGIA continued with its two-pronged approach to industry communication through (i) the National Nursery News (NNN) network to communicate with members on key issues; and (ii) In partnership with Cox Inall Communications for the delivery of the communications program for levy funded R&D projects.
- Nursery Production Farm Management System (FMS) – NGIA managed the transition of the management and administration of the Nursery Production FMS to NGIA and it is being delivered as a national program.

Future Developments

Members voted on 12 June 2019 to voluntarily wind up NGIA and the peak industry body role to be assumed by a new industry company, Greenlife Industry Australia Ltd. The new company has been registered and the Board have commenced a methodical and controlled process of transition, to ensure NGIA assets and projects are appropriately managed or transferred to Greenlife Industry Australia Ltd. The date of wind up of NGIA will be confirmed at the next NGIA Annual General Meeting.

Performance Measurement:

The company assesses its operation and performance primarily through the function of the NGIA Board. The Board met seven times during the report period to manage the activities of the business and assess its operation and performance against the following performance indicators:

- Profit and Loss – the actual against budgeted profit and loss is assessed at each Board meeting. Any variations in income and expenditure are noted and necessary actions taken to address significant anomalies.
- Going Concern – the NGIA Board assesses and passes a resolution if it believes the business will be a going concern and able to pay all outgoings for a year from each Board meeting.
- Levy Income – the company receives quarterly reports on nursery levy (R&D, marketing and total) receipts that provide an indication of budget against actual and comparison to previous years receipts. The levy received is an indication of "greenlife" sales.
- Communication – measurements of access and engagement of communication activities are measured through on-line metrics, surveys, reviews and direct engagement with stakeholders.
- Membership numbers – member numbers are assessed on a regular basis throughout the year and across years to determine trends and to identify reasons for numbers increasing or decreasing. Membership numbers are a vital metric for the company as they impact directly on income to the business.

Operating Results

NGIA recorded a loss of \$32,880 in the year compared to a profit of \$34,745 for the previous year.

Major areas that impacted on the results were:

- No conference income with the next conference to be held in March 2020 in Perth.
- High consultancy and travel costs related to the Future Model transition process.
- Higher costs have been offset by increased project recoveries and income from new contracts awarded to NGIA.

After Balance Date Events

The new company, Greenlife Industry Australia Ltd, noted above in Future Developments was registered on 9 July 2019.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

Significant Changes in State of Affairs

There have been no significant changes in the company's state of affairs other than that mentioned previously that have occurred during the financial year.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors & Company Secretary

Karen Brock – President from 14 November 2017

Owner, Brocklands Pty Ltd, Winkleigh Tas

Qualifications: Advanced Diploma Horticulture, Nuffield Scholar (Australia).

Karen has over 25 years' experience in Floriculture and Horticulture which also involved industry participation by serving as President of Nursery and Garden Industry Tasmania (NGIT) for six years and a standing committee member of Agrifoods Skills Council for four years. She was appointed to the NGIA Board on 25 November 2014.

Ben Grange – Vice President from 13 November 2018

National Sales & Marketing Manager, Grange Growing Solutions, Ebenezer NSW

Ben has over twenty years' experience in the industry and currently oversees the Sales and Marketing for the family business, Grange Growing Solutions which he manages with his brother and sister. The company is the largest growing media supplier in NSW operating in Ebenezer which is 70km NW of Sydney. Ben has also spent six years on the state Nursery and Garden Industry Board which has helped lay the foundations of professional corporate governance for current national board issues. Ben was appointed to the NGIA board on 14 November 2017.

Geoffrey Fuller

Executive Officer, Houseplants of Australia Ltd, Bridgewater SA

Geoffrey has over 40 years' experience in the Nursery Industry starting in 1975 with retail garden shops and a production nursery before joining plastic manufacturer, Masrac as general sales manager from 1991 to 2001. He served as the CEO of the Nursery and Garden Industry SA for 12 years until semi-retirement in 2014. He has worked part time as Executive Officer for Houseplants of Australia since 2002. He is also a councillor with the Royal Adelaide Show Horticulture Committee. Geoffrey was appointed to the NGIA board on 25 November 2014. Geoffrey completed his term on the board on 13 November 2018.

Ross Hooper

Director, Zanthorrea Nursery, Maida Vale WA

Qualifications: Certificate 3 Horticulture, Certified Nursery Professional

Ross is the third generation of Hoopers at Zanthorrea Nursery and from 2015 the sole director of this award winning Garden Centre. He has 17 years' experience in retail and production horticulture and has sat on the WA Nursery and Garden Industry Board for over nine non-consecutive years. Ross won WA Young Leader in 2008. He has been working in Horticulture since 2002, and has training in landscape design, interactive multimedia and photography. Ross also sits on the NGIWA board with a focus on raising the standard of Retail Horticulture. He was appointed to the NGIA board on 14 November 2017.

David Howard

Owner/Manager, Bay Road Nursery, Sandringham Vic

Qualifications: Horticulture Trade Certificate

David has over 35 years in the nursery and garden industry and has owned Bay Road Nursery for over 25 years following 10 years at Gills Nursery. He has been involved at Plants Plus for over 10 years including terms as State and National Chairman. David has served on the NGIV board for eight years including four years as President. He is a current director of the Melbourne International Flower and Garden show (MIFGS) and has been involved as a plant designer on several award winning gardens at the show. David was appointed to the NGIA board on 15 November 2016.

Peter Jong

Managing Director, Jong's Nursery, Mount Compass SA

Qualifications: Certificate 4 Production Horticulture, Diploma of Horticultural Business

Originally from the Netherlands, Peter Jong has grown up in and around nurseries. Peter moved to Australia in 2008, where together with his family, set up Jong's Nursery. In 2011 he was a National finalist for the Heather Rumsey Young Leader Award and has been building his involvement with the industry ever since. He was the driving force behind a reinvigorated Nextgen group in South Australia, was part of the Structure Change Advisory Committee and sat on the NGISA board for four years. Peter was appointed to the Board on 13 November 2018.

Paul Lancaster – Vice President until 13 November 2018

Director, Suncoast Water Gardens Pty Ltd, Beerwah, Qld

Paul has 13 years' experience in the nursery industry as well as previous senior management experience in the automotive electrical industry. He has served on the board of Nursery & Garden Industry Queensland (NGIQ) since 2007 and is a previous NGIQ President. He has also previously held the position of Vice President for NGIQ from 2009 – 2011 and President from 2011 to 2013. Paul was appointed to the NGIA board on 24 November 2015 and served as Vice-President in 2017/2018.

Hamish Mitchell

Managing Director, Speciality Trees, Narre Warren East Vic

Qualifications: Certificate of Horticulture majoring in Landscape, Associate Diploma of Applied Science in Horticulture majoring in Parks Management, Certificate of Turf Management and a Diploma of Leadership and Management.

Hamish has over 35 years' experience in amenity horticulture, plant management, nursery production both inground and containerised. Landscaping Victoria board member from 2010-2012 and past President 2011-2012. He previously served on the NGIA Board 2013-2016 including serving as Vice President and is currently on the advisory panel for the nursery levy. Hamish was appointed to the NGIA board on 13 November 2018.

Peter Vaughan – Secretary

CEO – Nursery and Garden Industry Australia Ltd

Qualifications: Bachelor of Agricultural Science, MBA

Peter joined the company as CEO on 20 April 2015. Peter has worked across a number of agricultural industries over the last 20 years including horticulture, seed, grains and livestock in a range of management, commercial and technical roles. His most recent role was General Manager of the On-farm research and development business unit with Meat and Livestock Australia. Prior to that his roles included working as the General Manager at Austgrains, the Managing Director and Commercial Director at the Value Added Wheat Cooperative Research Centre, the Cultivar Manager at SGB Australia and the R&D Manager with Agricultural Licensing Australia. He was appointed Secretary 16 June 2015. Peter also sits on the Audit and Risk Committee.

Meetings of Directors – Attendance

Executive Meetings – 2019

	No. Eligible to attend	Attended
Karen Brock	7	7
Geoffrey Fuller	3	3
Ben Grange	7	6
Ross Hooper	7	7
David Howard	7	7
Peter Jong	5	5
Paul Lancaster	7	7
Hamish Mitchell	5	5

Dividends

The company's constitution specifically prohibits the payment of dividends or bonus to members.

Indemnification and Insurance of Officers and Auditors

The company has paid premiums to insure all Directors and Officers of the company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as such officer of the company, other than conduct involving a wilful breach of duty in relation to the company. No other indemnities have been given. The company has not provided any insurance for the auditor of the company.

The amount paid is not disclosed as per the confidentiality clause of the agreement.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party. The company was not a party to any such proceedings during the year.

Auditor's Independence

A statement of independence has been provided below by our auditor, BDH Audit & Assurance Pty Ltd, and forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Karen Brock

Director

Dated at Castle Hill this 4th day of September 2019

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NURSERY & GARDEN INDUSTRY AUSTRALIA LIMITED

We hereby declare, that to the best of our knowledge and belief, during the year ended 30 June 2019 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDH Audit & Assurance Pty Limited

Gede Barone

Director

Dated at Sydney this 4th day of September 2019

Liability limited by a scheme under Professional Standards Legislation

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	2018 \$
Revenue	2	827,527	990,586
Employee benefits expenses		(384,809)	(388,393)
Occupancy expenses		(18,780)	(19,365)
Depreciation and amortisation expenses	7	(33,556)	(36,227)
Finance costs		(325)	(374)
Other expenses		(422,937)	(511,482)
Profit/(loss) before tax		(32,880)	34,745
Income tax expense		-	-
Profit/(loss) attributable to members		(32,880)	34,745
Other comprehensive income		-	-
Total comprehensive income for the period		(32,880)	34,745

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019
ASSETS
CURRENT ASSETS

Cash and cash equivalents	4	2,164,982	1,589,375
Trade and other receivables	5	121,408	92,098
Other current assets	6	37,091	18,025
TOTAL CURRENT ASSETS		2,323,481	1,699,498

NON-CURRENT ASSETS

Property, plant and equipment	7	491,594	523,724
TOTAL NON-CURRENT ASSETS		491,594	523,724
TOTAL ASSETS		2,815,075	2,223,222

LIABILITIES
CURRENT LIABILITIES

Trade and other payables	8	1,856,130	1,260,352
Provisions	10	118,989	99,889
TOTAL CURRENT LIABILITIES		1,975,119	1,360,241

NON-CURRENT LIABILITIES

Provisions	10	21,577	11,722
TOTAL NON-CURRENT LIABILITIES		21,577	11,722
TOTAL LIABILITIES		1,996,696	1,371,963
NET ASSETS		818,379	851,259

EQUITY

Retained earnings	11	818,379	851,259
TOTAL EQUITY		818,379	851,259

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Balance at 30 June 2017	816,514
Loss attributable to members	34,745
Balance at 30 June 2018	851,259
Profit attributable to members	(32,880)
Balance at 30 June 2019	818,379

The income statement, balance sheet and statement of changes in equity should be read in conjunction with the notes on the pages following

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		869,444	1,136,446
Payments to suppliers and employees		(862,775)	(968,528)
Interest received		10,477	9,951
Net cash provided by (used in) operating activities	12	<u>17,146</u>	<u>177,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,426)	(5,778)
Net cash provided by (used in) investing activities		<u>(1,426)</u>	<u>(5,778)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings			-
(Decrease)/Increase in project balances		559,887	303,508
Net cash provided by (used in) financing activities		<u>559,987</u>	<u>303,508</u>
Net increase/(decrease) in cash held		575,607	475,599
Cash at beginning of financial year		1,589,375	1,113,776
Cash at end of financial year	12	<u>2,164,982</u>	<u>1,589,375</u>

The cashflow statement should be read in conjunction with the notes below

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**1 Statement of Significant Accounting Policies**

This financial report covers the consolidated financial statements and notes of Nursery & Garden Industry Australia Limited and controlled entity "Group". Nursery & Garden Industry Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001. Nursery & Garden Industry Australia Limited is a not-for-profit entity for the purpose of preparing financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared using the measurement bases specified by the Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are described in the accounting policies below.

The consolidated financial report was authorised for issue on the 4th September 2019 by the board of directors.

Going Concern

On 12 June 2019 members voted to approve the voluntary wind up of Nursery & Garden Industry Australia Limited (NGIA) and to establish a new national peak body where both businesses and associations can be members. On 9 July 2019 Greenlife Industry Australia Ltd was registered as the new national peak body. The transition period during which NGIA projects are finalised and/or assets and contracted responsibilities are transferred to Greenlife Industry Australia Ltd has not been determined at the date of this financial report. NGIA has existing projects and contractual responsibilities and has the resources to continue as a going concern for this period of transition. As NGIA projects have not yet been finalised and a final date has not yet been agreed for the wind up of NGIA the directors are of the opinion that the financial report should be

prepared on a going concern basis and that the company will be able to pay its debts when they become due and payable.

Basis of Consolidation

The Group financial statements consolidate those of the parent company and its subsidiary Flora for Fauna Pty Limited as of 30 June 2019. The subsidiary does not trade. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with

the subsidiary and has the ability to affect those returns through its power over the subsidiary. The subsidiary has a reporting date of 30 June.

All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the group. The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Accounting Policies**(a) Income Tax**

As the parent entity was established for the purpose of promoting the development of horticultural resources of Australia it is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on a prime cost or diminishing value method. All property, plant & equipment are written off over their useful lives.

The depreciation rates used for each class of depreciable assets are:

Office Equipment	7.5 - 50%
Buildings	5%

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(e) Employee Benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The group's liabilities for long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees.

The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The group presents employee benefit obligations as current liabilities in the statement of financial position if the group does not have an

unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

Contributions are made to employee superannuation funds and are charged as expenses when incurred.

(f) Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(g) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Member subscriptions are recognised according to the period to which they relate.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in these goods.

Revenue for rendering of services is recognised upon the delivery of a service.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Other revenue is recognised when it is received or earned.

Grant revenues are recognised by deducting the related expenses to which the grant income has been received or receivable.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Project Receipts

The group received payments in advance to fund future projects on behalf of the nursery industry. Such amounts are received and recorded in the Balance Sheet.

(k) Economic Dependence

The company is dependent on Horticulture Innovation Australia Limited (Hort Innovation) for the majority of its revenue used to operate the project management part of the business. At the date of this report the directors have no reason to believe that Hort Innovation will not continue to support the company's role as a service provider under existing contracts which primarily are due for completion in the 2020/2021 financial year.

(l) Financial instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the group commits itself to either purchase or sell the asset (ie trade date accounting adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

Financial assets are classified at fair value through the profit & loss when they are held for trading. Realised and unrealised gains and losses arising from changes in fair value are included in profit and loss in the period in which they relate.

Loans and receivables are non-derivative financial assets with fixed payments that are not stated in an active market.

Held to maturity investments are with banks and have fixed maturities, and the group intends to hold these until maturity.

Financial liabilities are non-derivative financial liabilities and are recognised at cost. The directors have assessed that no financial instrument has been impaired.

(m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

(p) New accounting standards for application in future periods

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2018. Information on the more significant standards is presented below.

- AASB 9 Financial Instruments
- AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.
- When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The adoption of these standards has not had a material impact on the company.

Accounting Standards issued but not yet effective and not been adopted early by the Company

At the date of authorisation of the financial statements, the following AASB Standards and AASB Interpretations were also in issue but not yet effective.

Standard/ Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 Revenue from contracts with customers	1 January 2019	30 June 2020
AASB 16 Leases	1 January 2019	30 June 2020

The potential effect of the revised Standards/Interpretations on the company's financial statements has not yet been determined.

	2019	2018
	\$	\$
2 Revenue and Other Income		
Revenue		
Commissions	4,538	-
Members Publications	4,778	7,900
Subscriptions	278,905	284,725
FMS Income	246,396	267,996
HIAL Consultative Fees	31,200	44,450
Project Service Fees	213,214	109,960
Conference Income	-	262,744
Interest received	10,477	9,951
Sundry Income	38,019	2,860
Total revenue	827,527	990,586

3 Auditors' Remuneration

Audit & review of financial statements	12,900	12,950
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4 Cash and Cash Equivalents

Cash on hand	210	210
Cash at bank	1,896,313	1,326,484
Short term deposits	268,459	262,681
	2,164,982	1,589,375

	2019	2018
5 Trade and Other Receivables	\$	\$
Current		
Trade Debtors	121,288	91,278
Income Accrued	120	820
	<u>121,408</u>	<u>92,098</u>

Current trade receivables are non-interest bearing, a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2019.

6 Other Current Assets

Current		
Prepayments	37,091	18,025

7 Property, Plant and Equipment

Plant and Equipment:

At cost	269,327	270,704
Accumulated depreciation	(183,774)	(175,695)
Total Plant and Equipment	<u>85,553</u>	<u>95,009</u>

Land and Buildings

At cost	577,805	577,805
Accumulated depreciation	(171,764)	(149,090)
Total Land and Buildings	<u>406,041</u>	<u>428,715</u>

Total Property, Plant and Equipment	491,594	523,724
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The directors obtained a market appraisal performed by an independent consultant on the property of \$812,800 in 2017. The directors have reviewed the property value and believe the current value exceeds the carrying value in the financial report. The property is carried at cost therefore no revaluation has been made.

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Plant and Equipment

Balance at the beginning of the year	95,009	102,784
Additions during the year	1,426	5,778
Depreciation	(10,882)	(13,553)
Balance at the end of the year	<u>85,553</u>	<u>95,009</u>

Land and Buildings

Balance at the beginning of the year	428,715	451,389
Depreciation	(22,674)	(22,674)
Balance at the end of the year	<u>406,041</u>	<u>428,715</u>

8 Trade and Other Payables

Current

Trade Creditors	214,907	179,016
Project Receipts in Advance	1,641,223	1,081,336
	<u>1,856,130</u>	<u>1,260,352</u>

9 Project Receipts in Advance

Reconciliation of project receipts in advance balances for the year

Balance at the beginning of the year	1,081,336	774,789
Funds received from HIAL	1,284,173	971,275
Funds received from other sources	658,262	196,606
Funds applied to projects	(1,382,548)	(861,334)
Balance at the end of the year	<u>1,641,223</u>	<u>1,081,336</u>

10 Provisions

Current

Short term employee benefits

Employee benefits – annual leave	79,219	64,072
Employee benefits - long service leave	39,770	35,817
	<u>118,989</u>	<u>99,889</u>

Non-current

Long term employee benefits

Employee benefits – long service leave	21,577	11,722
	<u>21,577</u>	<u>11,722</u>

11 Retained Earnings

Retained earnings at the beginning of the financial year	851,259	816,514
Net profit (Net loss) attributable to members of the company	(32,880)	34,745
Retained earnings at the end of the financial year	<u>818,379</u>	<u>851,259</u>

12 Notes to the statement of cash flows

a) Reconciliation of cash

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months.

Cash assets	2,164,982	1,589,375
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b) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit/(loss) after income tax	(32,880)	34,745
Add/(less) non-cash items:		
Depreciation	33,556	36,227
Net cash provided by operating activities before change in assets & liabilities	<u>676</u>	<u>70,972</u>

Change in assets and liabilities		
(Increase)/decrease in receivables	(30,010)	57,161
(Increase)/decrease in prepayments	(19,066)	3,273
(Increase)/decrease in other assets	700	586
Increase/(decrease) in accounts payable	35,891	17,343
Increase/(decrease) in other liabilities	28,955	28,534
Cash Flow from Operations	<u>17,146</u>	<u>177,869</u>

13 Company Limited by Guarantee

The company is a company limited by guarantee under the Corporations Law. If the company is wound up, the memorandum of association provides that each member who is currently a member or has been a member during the previous year is required to contribute a maximum of \$5 towards the debt of the company. As at 30 June 2019 the number of members was 923 (2018 – 938) so the maximum funds to be received would be \$4,615.

14 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

(a) Directors Allowances	19,255	22,000
(b) The names of the Directors who have held office during the financial year are: K Brock, G Fuller, B Grange, R Hooper, D Howard, P Jong, P Lancaster, H Mitchell.		
(c) Key Management Personnel Compensation		
Short Term	215,846	205,334
(d) The directors are not aware of any other related party transactions.		

15 After Balance Date Events

As noted in the Director's Report the new company, Greenlife Industry Australia Ltd that will assume the role of the new peak industry body from the company was registered on 9 July 2019.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations or the state of affairs of the group in subsequent financial years.

16 Financial Instruments

The group's financial assets are subject to interest rate risk. This will fluctuate in line with movements in the market rate. Credit risk, being the risk that one party will cause a financial loss to the company by failing to discharge an obligation, is considered to be not material.

The group is not exposed to fluctuations in foreign currency. The group manages liquidity risk by monitoring cash flow and balances. The group is not exposed to any material commodity price risk. The fair net value for financial assets and liabilities is the carrying value. No financial assets or liabilities are traded on financial markets.

17 Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2019	2018
Payable – minimum lease payments	\$	\$
not later than 12 months	16,556	17,285
Between 12 months and 5 years	4,269	20,825
	<u>20,825</u>	<u>38,110</u>

18 Parent Entity Information

Information relating to Nursery & Garden Industry Australia Ltd

Balance Sheet

Current assets	2,323,471	1,699,488
Total assets	2,815,075	2,223,222
Current liabilities	1,975,119	1,360,241
Total liabilities	1,996,696	1,371,963
Net assets	<u>818,379</u>	<u>851,259</u>
Retained Earnings	818,379	851,259

Income Statement

Profit/(Loss)	(32,880)	34,745
Other comprehensive income	-	-
Total comprehensive income	<u>(32,880)</u>	<u>34,745</u>

The Parent Entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at the year end.

The Parent Entity is a not for profit organisation that administers projects for the benefit of the Nursery Industry. The legal form of the organisation is a company limited by guarantee, incorporated in Australia.

The registered office of the Parent Entity is situated at Unit 58, 5 Gladstone Road, Castle Hill, New South Wales.

19 Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

DIRECTORS' DECLARATION

In the opinion of the directors of the Nursery & Garden Industry Australia Limited:

1. The consolidated financial statements and notes, as set out on pages 10 to 15, are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards – Reduced Disclosure Requirements; and

(b) give a true and fair view of the financial position as at 30 June 2019 and of the performance of the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that Nursery & Garden Industry Australia Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:

Karen Brock – President

Dated at Castle Hill this 4th day of September 2019

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NURSERY & GARDEN INDUSTRY AUSTRALIA LIMITED ACN 001 318 136

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Nursery & Garden Industry Australia Limited (the Group and its subsidiary), which comprises the balance sheet at 30 June 2018, income statement, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Nursery & Garden Industry Australia Limited, is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Nursery & Garden Industry Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that it is the intention of the company to voluntarily liquidate operations in Nursery & Garden Industry Australia Limited and transfer operations to a new company, Greenlife Industry Australia Ltd. As stated in Note 1 a timeframe has not yet been determined for this action to be taken indicating that a material uncertainty exists that may cast significant doubt over the use of the going concern basis of accounting in preparing the Financial Report for the period ended 30 June 2019. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole 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 the Australian Auditing Standards 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 economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

BDH Audit & Assurance Pty Limited

Gede Barone
Director

Address: Level 12, 52 Phillip Street, Sydney NSW 2000

Dated at Sydney on the 4th day of September 2019

COMPILATION REPORT

The additional financial data presented below is in accordance with the books and records of the group which have been subjected to the auditing procedures applied in our audit of the group for the year ended 30 June 2019. It will be appreciated that our audit did not cover all details of the attached financial data.

Accordingly, we do not express an opinion on such financial data and in particular no warranty of accuracy or reliability is given. We do not undertake responsibility in any way whatsoever to any person (other than the group) in respect of such data, including any errors or omissions however caused.

BDH Audit & Assurance Pty Limited

Gede Barone

Director

Dated at Sydney this 4th day of September 2019

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2019	2018
	\$	\$
INCOME		
Commissions	4,538	-
Members Publications	4,778	7,900
Subscriptions	278,905	284,725
FMS Income	246,396	267,996
HIAL Consultative Fees	31,200	44,450
Project Service Fees	213,214	109,960
Conference Income	-	262,744
Interest Received	10,477	9,951
Sundry Income	38,019	2,860
	<u>827,527</u>	<u>990,586</u>
EXPENSES		
Advertising & Promotion	2,981	-
Auditors Remuneration – Fees	12,900	12,950
Bank Charges	1,627	1,767
Conference Expenses	1,042	209,985
Consultancy Expenses	150,871	7,442
Depreciation	33,556	36,227
FMS Expenses	69,504	113,904
General Expenses	12,305	7,791
Holiday Pay Provision	2,735	6,586
Insurance	8,524	7,967
Interest	325	374
IT costs	27,938	26,268
Long Service Leave Provision	8,552	4,979
Meeting & Travel Expenses	66,809	71,919
Occupancy expenses	18,780	19,365
President & Directors Allowances	19,255	20,751
Postage, Printing & Freight	17,897	10,335
Repairs & Maintenance	2,851	-
Salaries & Employee Expenses	345,100	347,945
Subscriptions	13,922	6,708
Superannuation	32,053	32,336
Telephone and data charges	10,880	10,242
	<u>860,407</u>	<u>955,841</u>
Profit (Loss)	(32,880)	34,745



Contact Nursery & Garden Industry Australia

**Unit 58, 5 Gladstone Road
Castle Hill NSW 2154**

**PO Box 7129
Baulkham Hills BC NSW 2153**

Phone: 02 8861 5100
Email: info@ngia.com.au
Website: www.ngia.com.au
Facebook: www.facebook.com/nurseryandgardenindustry
www.facebook.com/plantlifebalance
Twitter: www.twitter.com/ngi_news
www.twitter.com/improveyourPLB

Design & Production:

Creative Produce

Email: info@creativeproduce.com.au
Website: www.creativeproduce.com.au

Australia's Urban Greenlife

Greenlife and green spaces are not only desirable but are invaluable for their contributions to cooler cities, community health and wellbeing; improved productivity; water management; community connection; clean air and local commerce. A variety of Green Industries contribute significantly to the availability and improvement of urban spaces across the country. Greenlife in urban environments is both needed and valued by the Australian community.



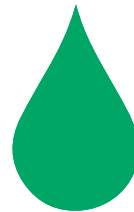
Trees reduce temperatures by up to **8 degrees Celsius**, reducing air conditioner use and carbon emissions by an estimated **12-15% per annum**



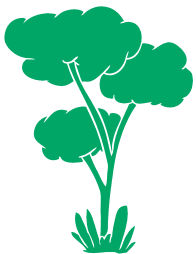
83% of Australians see green space as a place for **relaxation**. **73%** see their garden as a sanctuary for **mental well-being** and **89%** believe access to green space is a **Human Right**.



People working in a place with plants and trees are **17% more productive** than people working in bare spaces.



Trees and plants act as a **natural water filtration system**, they **reduce run-off** and **prevent erosion**.



Large healthy trees remove approx. **70 times more air pollution** than smaller healthy trees.



Customers could pay **9-12% more** for goods sold in CBD's with **high quality tree canopy**.



Leafy streets with **50% or more tree cover** increased the median **house sale price by 5.4%** and a broad leaf tree on a street verge in front of a home can **increase its price by approximately \$17,000**.



Greenlife supports urban biodiversity with 25% of plants and 46% of animals having at least part of their distributions located in cities

The Australian greenlife industry is a community contributing to Australia and all Australians through the uniqueness and diversity of its product and its people. The industry encompasses the ornamental market and supplies starter plants for fruit and vegetable production and stock for landscaping, forestry and revegetation.

The importance of the industry cannot be understated as it significantly underpins the food, fibre and foliage plant production in Australia, contributes significantly to the economy and provides aesthetic and scientific solutions to climate change.



NURSERY & GARDEN INDUSTRY AUSTRALIA
LIMITED ACN 001 318 136

