

NURSERY PAPERS

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Greenlife Market Analysis Report

The greenlife industry is a multi-billion dollar industry, employing thousands of Australians and contributing to healthy people, homes, urban spaces and the natural environment.

To support strategic decision-making for the industry, the Greenlife Market Analysis Report was developed by ACIL Allen as part of the *Nursery Industry Statistics Project 2019-20* (NY17008). The analysis pulls together insights from a range of stakeholders, including production and retail nurseries, government bodies, industry associations and Hort Innovation.

The report covers six key industry issues including: demand trends, productive workforce, plant biosecurity and water/climate. The issues of government support and technology were also covered as lower priority, but still important, issues

The issues identified were reviewed through the PESTLE framework (Political, Environmental, Social, Technological, Legislative and Economical) to enable a broad assessment of the influences on industry.

The resulting market analysis is a great starting point for nursery businesses looking to inform strategic decision making, while providing direction for the broader greenlife industry.

SUMMARY

- The Greenlife Market Analysis Report indicates the clear areas of focus and aspirations for greenlife industry and businesses.
- The analysis pulls together insights from a range of stakeholders, including production and retail nurseries, government bodies, industry associations and Hort Innovation.
- The report covers six key industry issues and highlighting the following four: demand trends, productive workforce, plant biosecurity and water/climate.
- Collaboration between growers and the broader greenlife value chain will be critical in addressing the issues raised in the analysis.
- Levy-payers are strongly encouraged to access the Greenlife Market Analysis Report to help inform business decisions.

BACKGROUND & METHODOLOGY

The report was developed by applying the PESTLE technique to nursery value chains to identify the key drivers and barriers. Each component of the value chain was analysed to identify the key Political, Economic, Social, Technological, Legislative and Environment themes through:

- desktop analysis (including identifying current R&D projects underway)
- analysis of the data initiative results across all years
- engaging industry/key informants in developing the report using a modified Delphi approach.

This Market Analysis Report has been developed alongside the current 2019/2020 greenlife data collection. This has allowed the report to be launched alongside the latest industry profile and benchmarking tool in autumn 2021.

This report has been funded under *NY17008 Nursery Industry Statistics and Research* which is a project funded by Hort Innovation, using the Nursery research and development levy and contributions from the Australian Government.





KEY ISSUES FOR INDUSTRY

THE ANALYSIS UNCOVERED SIX KEY ISSUES FOR THE INDUSTRY:

Key issues	Questions to think about for nursery production businesses
DEMAND TRENDS	<i>How can I manage this volatile demand? Where are my opportunities across the demand channels?</i>
GOVERNMENT SUPPORTS AND PROGRAMS	<i>Am I taking advantage of these supports and programs before they change? Do I know how to do this: how to find out information and support?</i>
PRODUCTIVE WORKFORCE	<i>Can I hire and keep the qualified employees I need? Where & how do I source this labour – locally & overseas?</i>
PLANT BIOSECURITY	<i>Is my business-as-usual approach sufficient for this risk? Are the approaches my supply-chain partners take sufficient?</i>
WATER AND CLIMATE	<i>Do I have water security? Am I resilient and adaptable to climate-related risks and extreme events?</i>
TECHNOLOGY	<i>Can I enable the best use of technology? Is it worth it to invest (how quick will the return on my investment be)? Can I access government funding support?</i>

Recognising that all of these issues are important, stakeholders from across the supply chain were asked which issues are at the forefront of successfully growing nurseries production business and the greenlife industry as a whole.

The four top-ranked industry issues are:

- 1. DEMAND TRENDS:** capitalise on and sustain the recent demand surge
- 2. PRODUCTIVE WORKFORCE:** attracting, developing and retaining
- 3. WATER SECURITY:** ensure for business and industry
- 4. PLANT BIOSECURITY:** maintain and continue high standards

DEMAND TRENDS

Expected demand in the short-term remains high especially from household, community and green infrastructure consumer segments.

- Between March and September 2020 during the COVID-19 pandemic, consumers generally spent more time gardening, likely due to longer periods of time spent at home under lockdown and travel restrictions.
- Local councils operate an important role in the 'streetscaping' of their suburbs but there are inconsistencies in the approaches taken across different local councils in Australia.
- Urban greening and green infrastructure interest from





government and commercial developers, and strongly supported through the Hort Innovation Nursery Fund, offers an opportunity for growers.

COVID-19 resulted in an increase in demand with sales increasing in 4 out of 5 production nurseries reporting associated increases in sales. However, a dip is expected to occur after COVID-19, the extent of which remains unknown.

Supply-side constraints around skilled labour, water security and technology need to be resolved if demand is to be fully met.

PRODUCTIVE WORKFORCE

The nature of the labour is diverse and complex across greenlife businesses

Attracting and retaining labour with relevant qualifications and skillsets in the Industry is a common issue across production nurseries in Australia revealing longstanding problems that require long-term solutions. Around 24 per cent of employees in the greenlife industry have a tertiary qualification.

The greenlife industry offers a progressive career pathway through the business like many other agricultural businesses, however anecdotally many growers experience a labour 'drain', where workers shift to other horticulture and landscape sectors before advancing to higher level management positions in the business.

Promotion is critical to developing and retaining a productive workforce in greenlife businesses. Some current strategies include:

- Both Greenlife Industry Australia (GIA) and Hort Innovation include career promotion and development in their Strategic Plans.
- GIA is currently working on a Nursery Careers Pathway

strategy and represents the industry's interests across several committees within Skills Impact – a non-for-profit operating national to benchmark learning and skills standards.

- The Hort Innovation Nursery Fund has invested in three major projects developing a career roadmap for the industry, promoting careers and engaging leaders in the industry on this issue.
- In partnership with the National Skills Commission, the JobTrainer Fund is subsidising over 300,000 training places. Some courses that relate to the greenlife industry are eligible such as Certificate III in Nursery Operations.



Check out the Greenlife Industry Australia Careers Hub for resources to support your businesses recruitment and retention strategies

<https://www.greenlifeindustry.com.au/greenlife-careers-hub/greenlife-careers>

WATER SECURITY

Water access and use is a critical input for production nurseries and enables consumers to get the full benefit of greenlife products. Water security reduces the risk for business and drives growth and development.

Drought, uncertain water restrictions and policy across Australia are threats and barriers to the growth and development of the industry.

PLANT BIOSECURITY

Plant pest incursions cause significant, sudden but lasting damage to the industry. Detection, eradication and management is a continuous and costly effort, shown by recent cases of brown marmorated stink bugs, fall armyworm and serpentine leafminer.

The major sources of risk to the nursery industry are:

- The diversity of the industry with over 30,000 species/cultivars in cultivation and the natural complexity of host-pest relationships.
- Highly connected national supply chains and logistics across Australia.
- Multiple supply chains servicing ornamental, landscape, fruit, nut, vegetable, forestry and regeneration greenlife clients.
- More travel and trade: 50 per cent increase in containers, 27 per cent increase in air cargo and 93 per cent increase in passengers by 2025 (DAWE).
- Reduced capacity and capability in plant biosecurity agencies in Australia.
- Management in production nurseries capable of identifying risk and skill levels within a predominantly permanent workforce.
- Low recognition and value placed on the importance of biosecurity across participants in the supply chain.
- Continuous high standards of prevention and management measures during normal and crisis periods mean the industry thrives and provides additional benefits for Australia with improved food security and a protected environment.



NIASA and BioSecure HACCP certification can help bolster industry defence against current and future pests and disease

<https://nurseryproductionfms.com.au/>



CASE STUDY: Andreasens Green leverages market insights for strategic planning

In order to continue to grow Australia's greenlife industry it's critical that stakeholders are able to examine and reflect on the challenges and opportunities that the industry faces on a holistic level.

That's the opinion of Brett Sargeant, CEO of Andreasens Green, and a contributor to the Greenlife Analysis Market Report, a resource which pulls together insights from stakeholders from production and retail nurseries, government bodies, industry associations and Hort Innovation to support strategic decision making, at the individual business level and at the industry level.

"The market analysis report clearly indicates the clear areas of focus for the industry and businesses. Collaboration between growers and the broader greenlife value chain will be critical in addressing the issues raised in the analysis."

Water security is one of the issues identified within the report which Brett acknowledges has been a major focus for his business in recent times.

"One of our nurseries was surrounded in the recent bushfires but we didn't have enough water to pump for firefighting efforts. It was only the great work of the NSW Rural Fire Service that kept the property safe. Water security is the highest risk for our business and we continue to work on improving water conservation, recycling, storage and sustainability measures. Our industry and our communities need more support from government to increase water security. This will enable consumers to gain the full benefit of greenlife products, reduce risk for business and drive sustainable growth and development for all."

The market report articulates some of the resources available to growers when it comes to water management and also highlights activities like GIA's sustainability framework and Hort Innovation's R&D projects which aim to shore up the industry's water security.

Biosecurity is another issue which is seen a priority by the panel of contributors and for Andreasens, as increased global trade inevitably leads to more foreign pest incursions.

"Incursions can and will happen, and collaboration between greenlife businesses, industry and government is going to be key in mitigating the risk. Government has a key role in minimising the entry of pests and diseases. Controlling entry at our border is the single most important Biosecurity measure that can be taken by government to protect our industry" he said.

The market analysis report demonstrates the decline in government investment but the more active role Greenlife Industry Australia and Hort Innovation are playing in encouraging adoption in best management practices.

And whilst self-monitoring and basic quarantining methods are common, the uptake of formal accreditation through the BioSecure HACCP program is recommended by the report.

Brett also indicated that shoring up the productivity of the workforce,



a key issue highlighted in the report, was a focus for Andreasens.

"As the report points out, the industry is investing in activities that aim to promote greenlife as a valued career choice," he said.

"But it's up to individual businesses to give apprentices a good experience and treating them as future leaders of the industry. At Andreasens we move our apprentices around across all elements of the business from sales, propagation, pre-grow and despatch in order to reinforce the varied career pathways available to participants in the industry."

According to Brett, the market analysis report will be an invaluable resource for industry stakeholders looking for a holistic picture of the state of the nursery industry.

"The analysis provides a high-level view of the industry and enables business owners and managers to get new perspectives on the challenges facing the industry.

"Importantly it showcases the areas of focus for industry and government and can help business owners prioritise activities which complement wider industry priorities."

LINKS TO RESOURCES

- Greenlife Market Analysis Report: <https://www.greenlifeindustry.com.au/communications-centre/greenlife-market-analysis-2021>
- PAST EDITIONS OF NURSERY PAPERS ARE AVAILABLE ONLINE on the GIA website: <https://www.greenlifeindustry.com.au/communications-centre>