



NEW ZEALAND WINE

PURE DISCOVERY

NEW ZEALAND WINEGROWERS' SUBMISSION ON PRODUCTIVITY COMMISSION'S REPORT IMMIGRATION: FIT FOR THE FUTURE

22 DECEMBER 2021

1. New Zealand Winegrowers (**NZW**) provides strategic leadership for the wine industry and represents the interests of New Zealand's grape growers and wine makers. Established in 2002, NZW is funded by compulsory levies under the Commodity Levies Act and the Wine Act and has approximately 1,400 members.
2. The wine industry (grape growing and winemaking) has generated premium goods exports of \$1.87 billion in the year ended June 2021, making it New Zealand's sixth largest export good.
3. NZW welcomes the opportunity to make a submission on the consultation document '*Immigration: Fit for the Future: Preliminary findings and recommendations*' and would welcome further discussion with the Productivity Commission as it finalises its recommendations.
4. In summary, NZW supports Business NZ's submission, and provides examples below to demonstrate specific points made in that submission, being:
 - Workforce development is a critical issue for the wine industry, and immigration policy directly impacts the wine industry's sustained growth
 - the wine industry benefits from temporary international workers to supplement our permanent workforce and the wine OE is a rite of passage
 - our reputation for producing premium wine relies on significant manual input into critical aspects of grape and wine production, with innovation occurring to support this rather than replace it.
5. The New Zealand grape and wine industry has grown over the past 30 years into a major force in the international wine business, built on a reputation for producing and marketing a diversity of high quality, innovative, distinctive and sustainable wines that resonate with consumers.
6. That success is a direct result of utilising a skilled and committed permanent workforce of around 7,500 FTE's, complemented by domestic and international workers employed to meet seasonal work peaks. These seasonal workers, often with specialist skills, are employed either directly by the industry or via contractors servicing the industry's labour supply needs. The Recognised Seasonal Employer (RSE) scheme is a key part of this seasonal workforce for viticulture.
7. With strong international demand for NZ wine (in fact increasing under Covid conditions) and supply short, it is expected this will drive continuing growth in the vineyard area (and grape/wine production) over the next decade from 40,000 ha in 2021 to over 50,000 ha by 2031.

8. One of the prerequisites to enabling this growth in a way that is both sustainable and profitable is the supply of a motivated and skilled workforce. Without that, growth will be curtailed.
9. This is why one of NZW's sustainability goals is to be an industry of choice for workers. Workforce has become the critical issue for our industry, and we are committed to working with government to ensure we can meet our industry's medium to longer term needs through Workforce Development Plans, as well as attraction initiatives for New Zealanders.
10. As part of ensuring this workforce supply, NZW supports *'Fit for a Better World – Accelerating our Economic Potential'* – the food and fibre sector roadmap. One of its ambitious targets is to lift employment of Kiwis in the sector by 10,000 over the next four years and by 10% by 2030.
11. As a 'new world' wine country, the transfer of knowledge and skills through participating in overseas vintages is a rite of passage for our young winemakers and viticulturists. In the same way, many international winemakers will travel to NZ to undertake a vintage and explore our distinctive winemaking styles and techniques. These 'wine OE's' are a vital part of the early training for many in our industry, and one we want to support and maintain as part of New Zealand's immigration settings, as it contributes to NZ's ability to produce world class wines.
12. These skilled workers have a choice of multiple winegrowing countries to visit. Ensuring New Zealand's immigration system facilitates ease of access will be vital to ensure we continue to attract these workers which both benefit our immediate seasonal needs while also sharing their skills and experience with our permanent workforce.
13. One way to make NZ more attractive would be further visa flexibility by way of 'open work rights' to enable workers to move to where the seasonal work is, without the need to apply for a further visa.
14. 'Working smarter' in the wine industry will always include manual tasks, such as the hand harvest of pinot noir grapes and hand pruning of vines, as these enable the creation of a premium product, rather than a commodity. 'Working smarter' in our industry is not a move to replace manual tasks with automation, rather it requires thinking about how to maximise technology and innovation to better manage the vineyard and wine production.

Yours sincerely



Philip Gregan
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New Zealand Winegrowers Inc