



# Fit for a Better Wine World:

Assuring a sustainable workforce for New Zealand's grape and wine industry

## Background

**The New Zealand grape and wine industry has grown over the past 30 years into a major force in the international wine sector, built on an international reputation for producing and marketing a diversity of high quality, innovative, distinctive and sustainable wines that resonate with consumers. That reputation lifted wine exports to \$2 billion per annum in 2020 and again in 2022.**

That success is a direct result of utilising a skilled and committed permanent workforce, 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.

Due to New Zealand's established reputation for producing distinctive wines, those studying or working in wine overseas come to New Zealand to work a vintage and explore our wine styles and winemaking techniques. Reciprocal wine OE experience is sought by New Zealand's winemakers in both old and new world wine countries.

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.

Viticulture is already New Zealand's most widely planted horticultural crop, by a considerable margin. Currently the area under vines is expanding at c. 800 - 1,000 ha per year. On this basis, the forecast producing vineyard area is expected to lift by around 25% from the current level of 40,000 ha to over 50,000 ha by 2032.

The wine industry has developed improvements in mechanisation and automation where it adds to the quality of the wine, such as machine harvesting of Sauvignon Blanc and large-scale mechanical pressing of grapes at harvest. There are also producers who prefer to create premium wine using made-by-hand techniques in both the vineyard and the winery. Improving productivity through more efficient capital utilisation, such as automation, and redesign of viticultural practices and systems that do not compromise quality is a challenge the industry is invested in exploring, both through innovative technology and research.

Supply of a motivated and skilled workforce is required to enable sustainable and profitable growth of the industry. Without that, growth will be curtailed, leading to reduced export revenue and less regional economic development than if skilled workers are available. Over the past four years the permanent workforce numbers have remained stable (at around 7350 FTE's) while the workforce to meet seasonal tasks has increased to meet demand from increased plantings and wine volume. Understanding the seasonal demand, creating a reliable supply, and pursuing activities to attract and retain permanent staff are key challenges that Covid and border closures have highlighted, and which require action.

## The Goal

**The NZ grape and wine industry, service providers and supporting sectors (such as educators, local government, labour contractors and accommodation providers) will work together to ensure:**

- Grape growers and wineries have access to the supply of skilled labour they need, at the time they need it, to grow grapes and make wine in a way that supports and adds to the industry's international reputation for making premium quality wine.
- The wine industry provides attractive seasonal roles and career options for skilled workers.
- Workers are respected, valued and competitively rewarded.

## Achieving the Goal: Current Initiatives

**There are a range of initiatives already underway to assist with addressing the industry's labour needs, including:**

- NZW has an annual Workforce Labour Action Plan to address short term issues. Activities include collaborating with New Zealand Ethical Employers (NZEE) and horticulture industry bodies to ensure access to RSE workers, and working with

government agencies, including MSD and MPI, on attracting New Zealanders into roles within the industry. NZW also supports a range of initiatives to support young talent in the sector including programmes such as Women in Wine, Mentoring programmes, and the annual Young Viticulturist and Young Winemaker competitions.

- Regional bodies, notably Central Otago Winegrowers and Wine Marlborough, have commissioned reports examining current and future labour needs in their regions. RSE regional Labour Governance Groups and Regional Skills Leadership Groups in wine regions are also working to address current and future labour supply shortages.
- NZW is involved in MPI's Primary Sector Employment Dataset and Forecasting Working Group, which is developing scenarios to forecast permanent and seasonal workforce needs of the primary sector to 2032 (within the framework of the MPI strategic initiative 'Fit for a Better World'), which is expected to be launched in November 2022.

*Current NZW initiatives are listed in Annex 1.*

## Developing a Sustainable Workforce Action Plan for the Wine Industry

**NZW commissioned PwC to produce a report exploring the workforce issues facing the NZ wine industry to stimulate discussion, inform the development of a framework to guide NZW activities, and inform decisions and activities by regional associations and members.**

Presented in September 2021, the Report *Workforce challenges facing the New Zealand wine sector* (the **Report**), summarised that inadequate workforce supply could mean that the NZ wine industry was unable to fully realise its growth potential. Without growth opportunities sector consolidation could occur, impacting the diversity of the industry's offering. Action is required to address the shortage to ensure the sector remains able to capitalise on the market opportunity for New Zealand wine.

The Report noted that the key to success would be for the industry to work collaboratively across the sector and with local and central government.

The areas PwC identified for potential action included:

### Expand the workforce through:

- Further attraction and retention initiatives to attract viticulture and winery workers.
- Considering whether students can play a greater role in workforce supply.
- Improving data collection on the wine sector workforce, especially permanent and seasonal workforce requirements and estimates of the shortfall across more regions (ie beyond Marlborough), to facilitate improved workforce planning.

### Enhance productivity through:

- Increased efficiency of utilisation of capital, including mechanisation and automation.
- Development of a strong evidence base that provides assurance that technology solutions will not impact quality: Technology needs to be sufficiently advanced and evidence based to give confidence that it will not diminish the quality of the wine produced, given that quality underpins the reputation and brand of the sector, including where premium value is generated from made by hand production techniques.
- Education and awareness: Linked to the above, education and awareness of specific opportunities and evidence for technology will aid uptake.
- Understanding better the range of skills required by sector: The sector will need to consider the workforce composition with new technologies. In some areas the skills required differ markedly from those that exist currently, and nationwide, cross-sector shortages for these types of workers are common.

### Support training and development through:

- Working with tertiary institutions to ensure course content and student expectations match industry needs.
- Ongoing use of cadetships .
- Increased use of AR and video training (like that used by employers while international workers passed through managed isolation).

The wine industry's Regional Membership Council (RMC) considered the Report. The members endorsed the key findings in the Report and supported the development of a Sustainable Workforce Plan to provide a framework for NZW activities. They specifically commented that to be achievable the Plan should take account of the following factors (in no particular order):

- Workforce planning is going to need to be flexible, as there is no one size fits all for regional needs. NZW will need to develop baseline activities as well as be able to respond to regional requests.
- Place value on communicating the career stories to increase understanding by decision makers and by potential workers, such as apprenticeships, cadets, Young Viticulturist.
- Remove the 'stigma' of seasonal work – explain and demonstrate the importance of seasonal tasks as part of the industry's annual cycle, including the RSE scheme's mutual benefits.
- Work with tertiary providers to ensure good connections with the industry and to provide opportunities for students.
- Handmade adds value, automation is not the answer for all tasks, showcase areas where it is increasing productivity e.g. Pernod Ricard autonomous vehicles trial, remote control irrigation, use of drones etc.
- Attraction to wine regions should be part of the campaigns, as well as career options.

NZW has considered a number of additional documents in developing the Plan, including NZW's Labour Strategy 2016-2020, Our People Survey Results on Diversity and Inclusion in the NZ Wine Industry 2019. The priority areas for Regional Skills Leadership Groups in relevant wine regions have also been considered in the development of the Plan.

The following Plan is intended as a framework of focus areas, activities and outcomes that will guide NZW activities for 2022 to 2024, with the flexibility to prioritise certain areas if required. NZW will continue to collaborate with the regional wine associations to support and engage on activities that are priorities for their region.

FOCUS AREA	OUTCOMES / BENEFITS	ISSUES / OPPORTUNITES	HIGH LEVEL ACTIONS FOR NZW 2022-2024			
<b>ATTRACTION</b>	<p>Promote range of roles and career pathways, so the wine industry is seen as a diverse workforce with viable career pathway to school leavers and their whānau.</p> <p>A greater proportion of school students and NZ Youth know about and have access to wine industry career pathway opportunities.</p>	<p>The type of work and the working conditions (especially for seasonal peak tasks) such as regional locations, weather, physical labour, long hours, seasonality, means the sector is perceived as less attractive by New Zealanders.</p>	<p>Develop engaging industry education resources for specific target groups, starting with youth, career change and under employed.</p>	<p>Communicate and enhance understanding of career pathway for current and potential industry workforce.</p>	<p>Design and deploy new attraction campaigns, such as interregional collaboration for workers to match seasonal peaks.</p>	<p>Support regions to engage with local schools and tertiary institutions.</p>
<b>RETENTION</b>	<p>Wine industry workforce has right knowledge, experience and skills at every level.</p> <p>Wine industry workers know about and have access to skill and career development initiatives.</p>	<p>Assuring a motivated and skilled workforce to support productive and sustainable industry growth.</p>	<p>Monitor working conditions across the industry, eg: Industry guidance on good employment practices. Benchmark pay and conditions against other Primary Sector industries.</p>	<p>Build on Our People survey to better understand wine industry staff retention rates.</p>	<p>Measure diversity in the wine industry and investigate and share Pay Equity findings to raise awareness.</p>	<p>Promote training and development opportunities, and leadership and mentoring opportunities for future leaders.</p>
<b>KNOWLEDGE</b>	<p>An education system that develops work ready talent and responds to industry requirements.</p>	<p>The education system is supported to meet wine industry requirements and future needs.</p>	<p>Promote educational courses for viticulture, winegrowing and wine business as pathways into wine industry careers.</p>	<p>Improve awareness of wine industry careers within the education system, working with HATA<sup>1</sup> and universities.</p>	<p>Develop teaching resources to support wine-related content in NCEA.</p>	<p>Partner with tertiary institutions, COVE<sup>2</sup> and Te Pūkenga to ensure qualifications and training are aligned with industry needs.</p>
<b>INNOVATION</b>	<p>Industry is aware of and utilises effective methods to enhance productivity and wine quality in grape growing and winemaking.</p>	<p>Provide evidence-based, research led information on industry productivity improvement (eg vineyard planting, automation and mechanisation).</p>	<p>Monitor and promote new industry techniques.</p>	<p>Champion a research-led approach to innovation improvements.</p>	<p>Profile projects and member innovation to members.</p>	<p>Create resources and educational materials for members.</p>
<b>INSIGHTS</b>	<p>Improved workforce planning through accurate data collection.</p>	<p>Accurately forecast seasonal labour demand and supply across roles, regions, from members and labour contractors.</p>	<p>Gather industry workforce demand data. Example: Regular seasonal workforce demand surveys.</p>	<p>Commission biannual economic impact analysis on wine industry permanent workforce and contribution to NZ economy.</p>	<p>Engage with government agencies eg: participate in MPI Data Forecasting project.</p>	<p>Utilise, support and, where required, undertake regional workforce data analysis and forecasting.</p>

FOCUS AREAS	CHALLENGES
<ul style="list-style-type: none"> <li>Formalise governance to oversee implementation of the SWAP.</li> <li>Understand the potential for productivity improvement (eg through robotics, automation, AI and systems redesign) to enhance the industry.</li> <li>Agree objectives for a sustainable wine industry workforce.</li> <li>Acknowledge and commit to Te Tiriti / Treaty principles.</li> <li>Ensure SWAP is relevant to diverse regional needs.</li> </ul>	<ul style="list-style-type: none"> <li>Limited opportunities to advance to senior roles, resulting in skilled people departing the industry.</li> <li>Recruiting in regions can constrain pool of applicants.</li> <li>Seasonal labour pool largely provided by contractors, with reliance on RSE workers in Marlborough for peak seasons.</li> <li>Wellbeing - physical work and long hours does not suit all.</li> </ul>

<sup>1</sup> Horticulture and Agriculture Teachers Association

<sup>2</sup> Centre of Vocational Excellence

FOCUS AREA	HIGH LEVEL ACTION	ACTIVITIES / INITIATIVES	GRAPE	WINE	PERMANENT	SEASONAL	PARTS OF NZW	EXTERNAL PARTIES
ATTRACTION	Develop engaging industry education resources targeted at NZ youth.	Industry-specific education booklet for secondary schools. Support Regional Wine Associations to engage with local schools and tertiary institutions.	✓	✓	✓	✓	Advocacy, Comms & Design	Project Working Group MPI
	Develop career pathway frameworks for future and existing industry workers.	Development and promotion of NZW's industry careers webpages. Provide TEC with relevant profiles and information.	✓	✓	✓	✓	Advocacy & Comms	Industry Bodies
	Design and deploy new attraction campaigns.	Regional and seasonal media campaigns linked to peak seasons and education enrolments.	✓	✓	✓	✓	Advocacy & Comms	Individual Employers Industry Bodies
RETENTION	Monitor working conditions across the industry.	Industry guidance on good employment practices. Benchmark pay and conditions against other Primary Sector industries.	✓	✓	✓	✓	Advocacy & Comms	Individual Employers Industry Bodies
	Improve wine industry staff retention.	Build on Our People survey to better understand wine industry staff retention rates. Develop strategy for Pay Equity issues.	✓	✓	✓	✓	Advocacy	Industry Bodies
	Increase awareness of development opportunities for existing industry workers.	Promote leadership and mentoring opportunities for future leaders. Promote career development and training opportunities.	✓	✓	✓	✓	Advocacy	Industry Bodies Industry Education Providers
KNOWLEDGE	Promote educational courses for viticulture and winegrowing on wine industry careers.	Develop partnerships with Muka Tangata, RSLG's and relevant stakeholders to ensure qualifications and training meet industry requirements. Development and promotion of NZW's industry careers webpages.	✓	✓	✓	✓	Advocacy	Industry Bodies
	Improve awareness of wine industry careers within the education system.	Maintain partnership with Food and Fibre Capability Partnership Group.	✓	✓	✓	✓	Advocacy	Project Working Group Industry Bodies
	Develop teaching resources to support wine-related content in secondary schools.	Industry education booklet for secondary schools. Digital education resources	✓	✓	✓	✓	Advocacy, Comms & Design	Project Working Group Industry Bodies
INNOVATION	Improve awareness of productivity improvements (eg through robotics, automation, systems redesign, improved pruning techniques).	Champion a research-led approach to innovation improvements. Create resources and educational materials for members. Monitor and promote new industry techniques.	✓	✓	✓	✓	Bragato Research Institute	Individual Employers Industry Bodies
INSIGHTS	Forecast future workforce demands.	Regional workforce data surveys. Regional Labour Contacts Group meetings.	✓	✓	✓	✓	Advocacy	Regional Labour Contacts Group
	Commission economic analysis on workforce and change impacts.	Biannual analysis on wine industry permanent workforce and contribution to NZ economy.	✓	✓	✓	✓	Advocacy	Industry Bodies Steering Group
	Engage with Government agencies to support and progress industry led initiatives.	Participate in MPI Data Forecasting project. Contribute data and insights to MPI's Fit for a Better World strategy.	✓	✓	✓	✓	Advocacy	Industry Bodies

**CURRENT NZW INITIATIVE**

**OBJECTIVE**

**ACTIVITIES**

**OUTCOME**

**KPIS FOR 2022-2023**

**ATTRACT**

<b>NZW Industry Career Webpages</b>	Promote industry education and career pathways.	Development of new and existing industry career webpages and resources.	Increased awareness of industry education and career pathways.	Increase career pageviews by 10% (last financial year 15,000).
<b>PickNZ Support</b>	Promote industry seasonal jobs.	Provide PickNZ with relevant wine industry information for the website and support resources.	Increased advertising of available and upcoming seasonal employment opportunities.	Advertisement of 500 industry jobs on the PickNZ site.
<b>Regional Media Campaigns</b>	Promote regional and seasonal employment opportunities.	Targeted social media advertisements on Facebook, and LinkedIn.	Increased employment of domestic workers for seasonal tasks.	Reach 25,000 impressions per ad set supporting regional campaigns.

**RETAIN**

<b>Mentoring programme</b>	Develop leadership capabilities.	Annual mentoring programme to provide 10 matched mentors and mentees.	Support development of talent in the wine industry.	Mentees gain skills to support career progression opportunities.
<b>Go You!</b>	Build community resilience.	10 Regional workshops to create awareness of mental health and the skills to stay healthy, and to motivate and help reach goals.	Educate attendees on tools for wellbeing and resilience.	Wine industry awareness of wellbeing increased.

**LEADERSHIP & CAPABILITY**

<b>Young Viticulturist</b>	National programme to support and grow talented viticulturists under 30.	Hold education days, regional competitions and a national final.	Support talented leaders to develop and extend their potential.	One national final held per year and 36 contestants around country.
<b>Young Winemaker</b>	National programme to support and grow emerging winemakers under 30.	Hold information evenings, regional competitions and a national final.	Support talented leaders to develop and extend their potential.	One national final held per year and 24 contestants around country.
<b>Women in Wine</b>	Connect. Inform. Change. Support women to reach their full potential and encourage organisations to review their diversity & inclusion policies.	Mentoring Programme, regional & national networking, and Self-development workshops.	Increase in individuals' confidence to further their careers. Bring the Diversity & Inclusion conversation front of mind.	Eventually closer to 50-50 (men:women) split in senior roles.
<b>Regional Labour Contacts (RLC)</b>	Connection with regional labour leads to share updates and identify issues for NZW activity.	Regular call with RLC coordinated by NZW.	Regions are supported to meet key labour challenges and information informs NZW advocacy.	Monthly calls held to share information and identify activity required to support regions.
<b>Industry Data Gathering</b>	Identify and forecast industry workforce demands to future workforce supply.	Regular regional workforce surveys.	Awareness of industry workforce demands.	Regional survey response rates and data validity.

**INSIGHTS**

<b>Our People Survey</b>	Understanding diversity and inclusion in the wine industry.	Survey in 2019.	An overview of people working in our industry and something to base our plans for progress on and measure the change.	Increase Diversity & Inclusion and support mental wellbeing.
<b>Government Engagement</b>	Maintain and develop government relationships.	Collaborative webinars and resource materials, and advocacy for industry workforce policy.	Industry led and government enabled progress.	Multiple collaborative webinars held every year for member support.