

# Marlborough vintage 2021 – September 2020

## INDUSTRY OVERVIEW

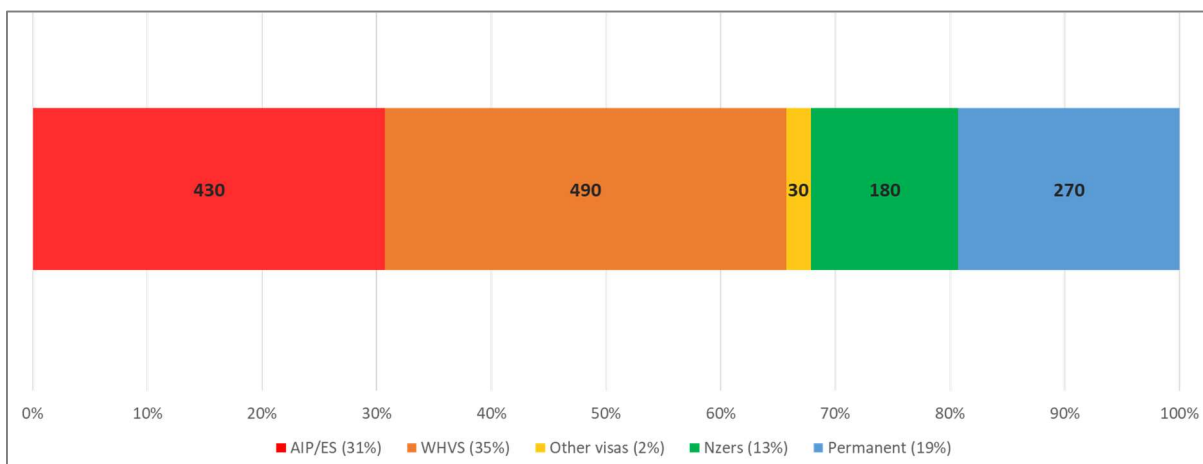
Marlborough is the main driver of New Zealand’s \$1.92 billion export wine industry with New Zealand’s signature variety, Marlborough Sauvignon Blanc. Wine is New Zealand’s fifth largest export good.

The wine sector is the largest industry in Marlborough. It is a significant employer and contributes a significant proportion of household incomes and regional GDP.

- One-in-five Marlburians are employed via the wine sector.
- The wine sector is 19% of Marlborough’s GDP and this share is growing.
- Wine’s contribution to the Marlborough economy has grown by 300% since 2000.

## VINTAGE WORKFORCE 2021

Winemaking takes place between February and April in a typical year. Marlborough has a uniquely compressed harvest period due to the dominance of a single grape variety, Sauvignon Blanc. With the borders expected to remain closed, Vintage 2021 will require significant changes to ensure the industry can process the grape crop into wine within the short timeframe required. The chart below shows the estimated number of staff in Marlborough wineries for Vintage 2020 (n≈1,400). Assuming the border remains closed, the gap in 2021 vintage workforce is approximately 1,000 -1,200 people.



Wineries are committed to employing and training a local workforce, including those displaced by COVID-19. For Vintage 2021 the typical workforce mix of international and local vintage workers will be replaced with a larger number of inexperienced locals. To train and supervise locals for next vintage, wineries need to be able to make use of the skilled and experienced people already in the country, including international workers who have remained in New Zealand on essential skills and working holiday visas. As of 11 August, there were 162 people (152 Cellar Hands, 10 Winemakers) on Essential Skills visas and an unknown number of vintage workers on Working Holiday visas still in New Zealand. Wineries are working with NMIT and EIT on cellar operations courses to train people for Vintage 2021. Fully funded study in winemaking is available <https://www.nmit.ac.nz/study/study-for-free/targeted-training-and-apprenticeships-fund/>. To ensure workers’ safety, the skilled and experienced international workers are

required as supervisors to keep people safe in a work-place operating 24/7 with hazards, such as vehicle movements, CO2 hazards and confined spaces.

### MARLBOROUGH LABOUR MARKET

Prior to the onset of COVID-19, Marlborough has had an extremely tight labour market for many years. This has been driven by a number of factors, including economic growth exceeding population growth; an ageing population (Marlborough has an average age of 46, one of the highest in the country); and significant levels of youth out-migration for higher education and city living. Currently, there is not a consistent nor large enough pipeline of available labour within the region to service all sectors.

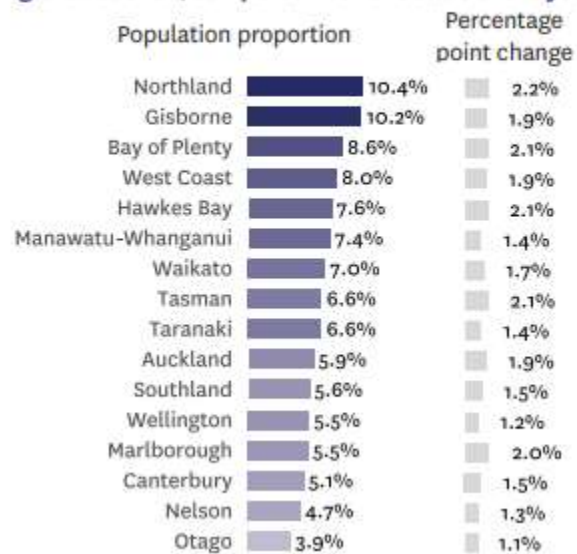
Marlborough has seen a significant percentage increase in unemployment, albeit off a very low base of 2.6% unemployment. The number of people in Marlborough that are claiming jobseeker support has increased by 431 since January.

- 1,000 jobseekers January 2020 (503 considered work ready)
- 1,431 jobseekers August 2020 (872 considered work ready)

If every new person applying for jobseeker support this year was available to work vintage 2021, this would still be less than half the number of people who need to be recruited for vintage.

*Chart: MSD Income Support and Wage Subsidy Weekly  
Update 11/09/2020*

**6. Percentage of the estimated New Zealand population aged 15-64 receiving Jobseeker Support, by Regional Council, compared with the start of the year**



### VINTAGE WORKERS STUCK IN NEW ZEALAND

After vintage, many vintage workers were stuck in New Zealand unable to return home. The wine industry provided employment for many of these people when the government partially relaxed the restrictions on temporary work visas. Unfortunately, their right to work expired six weeks after the end of Alert Level 3. The message from Immigration New Zealand was that they should return home, but many were unable to travel.

A number of vintage 2020 workers remain in New Zealand. As of 11 August, there were 162 people (152 Cellar Hands, 10 Winemakers) on Essential Skills visas and an unknown number of vintage workers on Working Holiday visas still in New Zealand. The Red Cross has been providing basic welfare assistance to 60 of these people in Marlborough. The current government funded welfare package ends on 30 September 2020. It would be far better for these people to be working, supporting themselves and paying taxes than to be on welfare assistance.

In order to train and supervise New Zealanders for next vintage, wineries need to make use of the skilled and experienced people already onshore, including those on essential skills and working holiday visas.