



# Viticulture policy

Kiwis are incredibly proud of New Zealand's world-class wines. From humble beginnings, New Zealand's wine industry has now experienced 25 consecutive years of growth, lifting exports from \$100 million twenty years ago to \$1.9 billion this year. New Zealand is now the seventh largest wine exporter in the world and viticulture forms the backbone of a number of regional economies.

The New Zealand wine industry is a major part of our export base and its continued growth will be part of National's comprehensive plan to grow our economy.

Our world-class wines play a key role in promoting New Zealand as a producer of high quality and sustainable food and beverages. Wine takes the New Zealand brand on to the tables of the world, establishing and enhancing our reputation with global consumers.

National has a strong track record in supporting the wine industry to develop markets and grow its offering. In Government we supported the industry's highly successful move into the US premium market, lessening our reliance on the traditional markets of the UK and Australia. National will build on the success we had in Government with opening markets to New Zealand wine by targeting good negotiation outcomes in Free Trade Agreement negotiations with the United Kingdom and the European Union.

The success of our wine industry has been driven by science and technology. New Zealand's success in adapting the dairy industry stainless steel technology was an early breakthrough. This lifted standards and brought the product to a global market. Ongoing research and science are ensuring that our reputation for delivering premium and ultra-high premium wines is maintained.

Wine has become an important part of our tourism sector, encouraging tourism into our wine-growing regions and making viticulture an important contributor to regional tourism offerings in areas like Marlborough, Hawkes

Bay and Central Otago. It is estimated that 27 per cent of international tourists visit a vineyard while in New Zealand. Wine has a strong role in encouraging urban consumers to visit our regions. Our economic stimulus package will put more money in the pockets of taxpayers so they can better afford to enjoy these offerings.

National will launch a New Zealand Tourism Festival to support local tourism events and encourage Kiwis to see more of their own backyard. This will support our regions to engage with domestic tourism. A prime example of a regional event that generates tremendous economic impacts is the 2021 Marlborough Food and Wine Festival which has unfortunately been cancelled. Restarting and enhancing this festival will greatly support not only the wineries but the wider network of accommodation, hospitality and tourism industries who benefit.

The Covid-19 pandemic has brought challenges for our wine industry. Marlborough would normally receive a peak of around 3000 seasonal workers to help with harvesting and pruning. Vineyards also need highly skilled wine makers who are often based abroad.

National is focused on growing New Zealand's economy out of Covid-19. Our Border Management Policy will allow more skilled and seasonal workers to come into New Zealand. We will invest in water storage to grow our horticulture and viticulture sectors. We will cut regulation and taxes to help businesses invest, grow and create jobs.

National will also amend the Sale and Supply of Alcohol Act to make wine tourism easier by allowing cellar doors to charge for samples and allowing cellar door sales for off-site consumption to occur without needing to meet a test of 85 per cent of revenue occurring through alcohol sales.

## National will:

- Pursue trade access with key markets the United Kingdom and the European Union.



- Encourage the development of technology and science to support industry growth.
- Allow more skilled and seasonal workers to enter New Zealand through managed isolation.
- Launch a New Zealand Tourism Festival to support domestic tourism.
- Invest \$600 million in water storage through the National Infrastructure Bank.
- Amend the Sale and Supply of Alcohol Act to support wine tourism.

## Regulatory change

Currently, wine tourism operators are not able to charge for wine samples from cellar doors. Legislation also requires that where a business operates both an on-licence and off-licence, as wineries with restaurants often wish to do, 85 per cent of revenue must come from the sale of alcohol. This is difficult for wineries operating restaurants to achieve.

The wine industry asked the Government to fast-track legislative changes needed to remedy this flawed regulation as part of the Covid-19 response package, but the Minister refused.

### National will:

- Amend the Sale and Supply of Alcohol Act in our first 100 days to allow cellar doors to sell wine samples and bypass the 85 per cent of revenue test.

## Skilled and seasonal workers

New Zealand's \$6 billion horticulture industry relies on access to skilled and seasonal workers for harvesting, pruning and blending. Seasonal workers support high-paid, down-stream jobs in the horticulture sector, and horticulture exports support regional communities across New Zealand.

It is estimated 3000 workers are needed in Marlborough for viticulture harvesting and pruning yet there are only 900 people in the Marlborough District in total on Jobseeker Support. New Zealand's cherry harvest faces an even more worrying situation as 4000

seasonal workers are typically employed during the harvest yet only 250 people are on Jobseeker Support in the Central Otago District, and only a further 400 in the neighbouring Queenstown-Lakes District.

It is incredibly challenging to ask the horticulture sector to operate their harvest with only local labour.

With the border closed, many horticulturalists are worried labour shortages will lead to unpicked fruit being left to spoil. This is a looming catastrophe for regional economies across New Zealand, and one we can't afford at a time our economy is already under significant pressure.

New Zealand has capacity to bring more people into the country through managed isolation. We currently have around 7000 managed isolation spaces but are only using about 5000 spaces at any one time. The Labour Government has said they will only allow 210 agricultural and horticultural workers into New Zealand.

We believe there is no reason not to fully utilise our managed isolation capability where we have jobs that need filling to support the economy. Workers coming to New Zealand to work in our horticulture or viticulture industry will generate growth and employment for Kiwis.

National will fully utilise our managed isolation space by allowing visa holders to once again enter New Zealand. We can't lock ourselves away forever.

Where visa holders are entering from a place without a 'travel bubble' with New Zealand, they would have to go through managed isolation and either they or their employer would have to pay for the cost of this managed isolation. Kiwis will always have first access to managed isolation space, but we will allow visa holders to utilise the 2000 managed isolation beds currently sitting empty.

### National will:

- Allow foreign workers to enter New Zealand through managed isolation.



## Wine tourism

The closing of the border to international tourists means New Zealand's \$17 billion international tourism industry is effectively cut off from its market.

We can take measures to keep tourism operators on their feet, however. While New Zealand received \$17 billion from tourism pre-Covid, we also spent \$9 billion seeing the rest of the world. A travel bubble with Australia would open New Zealand up to Australia's massive tourism market. Prior to Covid-19, Australians spent \$43 billion on international holidays. A travel bubble with Australia would mean an opportunity for New Zealand tourism operators to benefit from sole access to the Australian tourism market.

National will launch a New Zealand Tourism Festival to help local communities and regions across the country and support the domestic and trans-Tasman tourism markets. This festival will focus on supporting events like the Marlborough Food and Wine Festival to get back up and running and market themselves across New Zealand and Australia. It will reinvigorate regions as tourists spend money across the hospitality, accommodation and tourism sectors.

National will also pass emergency tax relief. Our tax package will put \$3000 in the pockets of Kiwis on the average wage. This is money that can be spent on domestic tourism and local businesses.

### National will:

- Launch the New Zealand Tourism Festival to showcase the regions of New Zealand and encourage domestic tourism.
- Look at flexible arrangements for countries and territories that are Covid-free.
- Give the average worker \$3000 tax relief.

## Water storage

New Zealand's horticulture and viticulture exports have grown by 50 per cent over the last four years. There are many opportunities to expand horticulture and viticulture in

New Zealand, but they require water. Our inadequate investment in water infrastructure is currently limiting the potential of our horticulture and viticulture sectors.

National believes that water is one of New Zealand's key strategic resources, but we are not making the most of it. Over the next century, water should be a major competitive advantage for our country. National will establish a new National Policy Statement on Water Storage to streamline consenting and manage the environmental impacts of new water storage, and invest \$600 million in water storage through the National Infrastructure Bank.

### National will:

- Instruct the National Infrastructure Bank to develop a long term plan for water infrastructure and storage, and provide it with \$600 million for investments over three years.
- Develop a National Policy Statement on Water Storage to provide certainty around the strategic use of water, streamline consenting for these projects, and set minimum environmental standards to manage the effects of new irrigation development from new storage projects.
- Maintain common ownership of water for all New Zealanders.
- Treat water as a strategic resource, recognising the importance of water storage for resilience, urban water supply, enhanced environmental outcomes, and better land use options in rural communities.

## Trade Access

In Government, National opened market access for New Zealand wine makers through careful negotiation of free trade agreements. This was balanced with consideration of the potential issues caused by geographic indications and the use of trademarks.

With New Zealand in negotiation with major wine markets – the United Kingdom, the European Union and potentially the United



States – National will work to enhance our trade access in these crucial markets for the New Zealand wine industry.

#### National will:

- Target market access opportunities in the UK and EU Free Trade Agreement negotiations.
- Protect the valuable reputation of New Zealand wine regions as geographic indications.

## Backing science and technology

National has a 2030 Plan to grow the technology sector in New Zealand. This will build our nation's skill in engineering and technology which will bring great benefit to our wine industry. The industry has already been at the forefront of using science and technology to enhance its products and their manufacture.

The wine industry has benefitted from the transfer of expertise and intellectual property from offshore. Many of the key entrepreneurs and innovators of our wine industry were migrants, who brought the skills and knowledge to take the industry forward. National would honour their legacy with a plan to attract the best and brightest from overseas with a fast-track technology skills visa, and incentives to bring top quality PhD students to study in New Zealand.

National would also increase home-grown tech skills with a raft of policies including 1000 tertiary scholarships for students from low decile schools to study STEM and a STEM-focused partnership schools.

New Zealand should be looking to attract the best and brightest minds from around the world to our shores to further strengthen our technology ecosystem. New Zealand needs to be strategic and selective about attracting skilled migrants and high net-worth investors who can contribute to rapid-growth sectors, build new businesses and drive job creation for New Zealanders. Foreign investment in the

wine industry has been common and vital in breaking into new markets.

#### National will:

- Create a fast-track technology skills visa to allow people with technology skills and experience to relocate to New Zealand, enabling tech firms to recruit the skilled talent they need to grow at pace.
- Relax requirements for investor-class visas to cut red tape and make New Zealand the world's most attractive destination for high net-worth investors and technology entrepreneurs.
- Offer anyone completing a full three year Bachelor's degree (or higher level qualification) in tech-related subject areas, and exceeding a specified GPA standard, a path to automatic permanent residency upon completion of their qualification.
- Launch a Global PhD Scholarship programme to recruit 50 top STEM PhD candidates from major universities each year to spend at least six months in New Zealand during their doctorate, to deepen.