

Marlborough Economic Wellbeing Strategy 2022 – 2032

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INTRODUCTION

Marlborough is a stunning region with braided rivers, high country farms, thriving international industries and an astonishing environment, including the unique Marlborough Sounds.

Eight iwi have tangata whenua/mana whenua status including Te Ātiawa o Te Waka-a-Māui, Te Rūnanga a Rangitāne o Wairau, Ngāti Toa Rangatira ki Wairau, Ngāti Apa ki te Rā Tō, Te Rūnanga o Ngāti Kuia, Ngāti Kōata, Te Rūnanga o Ngāti Rārua and Te Rūnanga o Kaikōura.

A post-graduate student undertook a piece of research into how Marlborough District Council (MDC) might best support the Māori economy in Marlborough. This work has been valuable for MDC and the full report has been added in the supporting document to this strategy.

The Natural environment and biodiversity are of vital importance to the future wellbeing of the Marlborough region.

It is important to adequately recognise the critical connection between economic wellbeing and environmental wellbeing.

Marlborough is home to 1% of New Zealand's population and almost 20% of New Zealand's coastline. The Marlborough name is recognized around the world for its sauvignon blanc that has become the world-wide benchmark and is in a category of its own.

This report brings together a long-term view on the economy and wellbeing in the region. The Marlborough economy is mostly shaped by sectors of the land and the ocean – there are challenges ahead in a world that is ever-changing. Economies are fragile and can be impacted by big weather events, labour and skills challenges, pandemics, and environmental decline.

INTRODUCTION

The strategy looks for the opportunities in the region to help build:

- › economic resilience, including the development of the Māori Economy;
- › an eco-system where start-ups can thrive and grow side by side with established (international) businesses;
- › support for new and emerging industries and their trials with technologies;
- › a rich fertile diverse economic environment to inspire artists, creators, and storytellers to grow alongside the traditional sectors.

It also looks for future pathways for Marlborough to achieve the goal of a diverse and inclusive economy that has wellbeing at its core and is human centred by design.

More than 30% of Marlborough's current GDP comes from the rural sectors. The biggest economic drivers in Marlborough are the Wine & Viticulture, Aquaculture, Farming, Food & Fibre, and Forestry industries. These sectors live side-by-side a healthy visitor economy, and new emerging sectors like Screen and Art. These core sectors are supported by a solid engineering and manufacturing industry as well as construction and professional services sectors. In this report the focus is primarily on the Agri-sectors in relation to solving some of the biggest challenges facing the industries of the land and the ocean.

New technologies and innovation have been recognised by MDC as an important component to help build resilience in economic sectors, as well as potentially help solve some of the bigger problems businesses and sectors face in 2022 and beyond. Therefore, MDC decided in its 2021-31 Long Term Plan (LTP) to make extra resources available for helping industries to collaborate, and to adopt innovation and new technologies through a suite of new economic development programmes.

The existing Smart + Connected economic development plan that started five years ago has been providing support to SME's and helping industries to solve industry-wide problems. This strategy will implement an additional layer of programmes stimulating innovation through technology, agility, and collaboration to achieve the overall vision for Marlborough's Economic Wellbeing.

Vision for the Marlborough Economic Wellbeing Strategy (The MEWS):

**'A thriving economy
balanced with a
flourishing
environment and
vibrant communities'**



Photo: MarlboroughNZ and Bare Kiwi

This vision is based on the industry-wide engagement that has taken place and will continue to take place in the years to come. Other than specific economic wellbeing indicators that resulted from the workshops, participants identified several common wellbeing themes:

- > Education
- > Town Vibrancy
- > Digital Connectivity
- > Housing Availability and Affordability
- > Energy and Waste

These are all very important topics that underpin the success of any strategy, however, for purpose of focus and clarity, this strategy is focused specifically on building strength, productivity, and wellbeing in Marlborough's business sectors.

Marlborough is very fortunate to have an economy that is supported by international investment and corporates, as well as an active and supportive angel investor network and highly talented individuals from around the world who call Marlborough home. There has been tremendous energy and appetite to participate from businesses and industries. MDC is encouraged by their engagement and support for this strategic plan.

It is MDC's intention to build on this energy and engagement by updating this strategy every three years. In doing so MDC will be able to monitor for emerging new sector opportunities to see if the region is on track and delivering the right services and programmes for Marlborough's industries and Economic Wellbeing.



VISION FOR THE REGION'S ECONOMY

From the feedback in the industry workshops and the input received, (including various existing strategies for the region), the following vision for Marlborough's regional economy has been articulated:

'A thriving economy balanced with a flourishing environment and vibrant communities'

For Marlborough to have a thriving economy with diverse sectors, the region needs to keep up with developments in technology and innovation to improve overall productivity, wellbeing, and resilience. This is also needed for Marlborough's economic sectors to provide interesting and well-paid jobs, including long-term career pathways that are stimulating for all age groups and appeal to a diverse talent pool in the region.

Communities, businesses, and Government must work together on balancing a thriving economy with a flourishing environment to nurture and enhance people and planetary wellbeing. This vision is also aligned with other strategies that have recently been produced for Marlborough and Te Taihū the 'Top of the South':

Vision from the Marlborough Regional Skills and Leadership Group:

'Advance our future workforce together'

'We have a productive and resilient Marlborough economy that is well resourced by its workforce, skills, training and talent'

Vision from the Te Taihū Intergenerational Strategy – for the Top of the South:

Tupuna Pono
Being good ancestors

At the heart of the Te Taihū Strategy is the Oranga (wellbeing) of the people and places in Te Taihū with a particular focus on the wellbeing of current and future generations and the responsibility we have, as the current generation, to pass on the taonga of Te Taihū in a better state than when these taonga were placed in our care.

To achieve the vision for Marlborough’s regional economy, MDC will work closely together with Marlborough’s largest economic sectors as well as emerging sectors for Marlborough, such as Screen, Technology, and Innovation.

In MDC’s 2021-31 Long Term Plan (LTP), the importance of helping implement technology and innovation programmes is already recognised. Other relevant MDC plans we refer to are: the Marlborough Environment Plan, Marlborough Regional Policy Statement, and the Management Plan under the Resource Management Act. New sector opportunities identified from the strategy engagement process are in the Aviation and the Screen sectors.

Implementing new knowledge, innovation and technology skills are highly relevant in a world facing unprecedented challenges such as pandemics and large-scale weather events caused by climate change. MDC is privileged that it has been able to co-design this vision for the Marlborough region in consultation with wider industry stakeholders.

GOALS FOR THE REGION

In alignment with the long-term vision for the region, the following three main goals have been identified:

- 1 / Accelerated cross-collaboration between various industry sectors, businesses, and industry stakeholders to achieve efficiencies and increase productivity through technology and innovation. Identified regional stakeholders for partnerships are the Chamber of Commerce, Business Trust Marlborough, NMIT, Angel Investors Marlborough, Marlborough Research Centre, Destination Marlborough, Bragato Research Institute, Callaghan Innovation, New Zealand Trade & Enterprise, MBIE and MPI. NB. This stakeholder-list is flexible and is likely to grow over time;
- 2 / For Marlborough to be a recognised leader in Agritech solutions in Australasia – specifically in Wine, Viticulture, Aquaculture and the Blue Economy;
- 3 / For Marlborough to develop and adopt an economic wellbeing framework in collaboration with businesses and industry sectors.

The Economic Development Team (EDT) at MDC have put together a list of suggestions, actions, and programmes to achieve these goals.

Photo: Start Up Weekend Marlborough



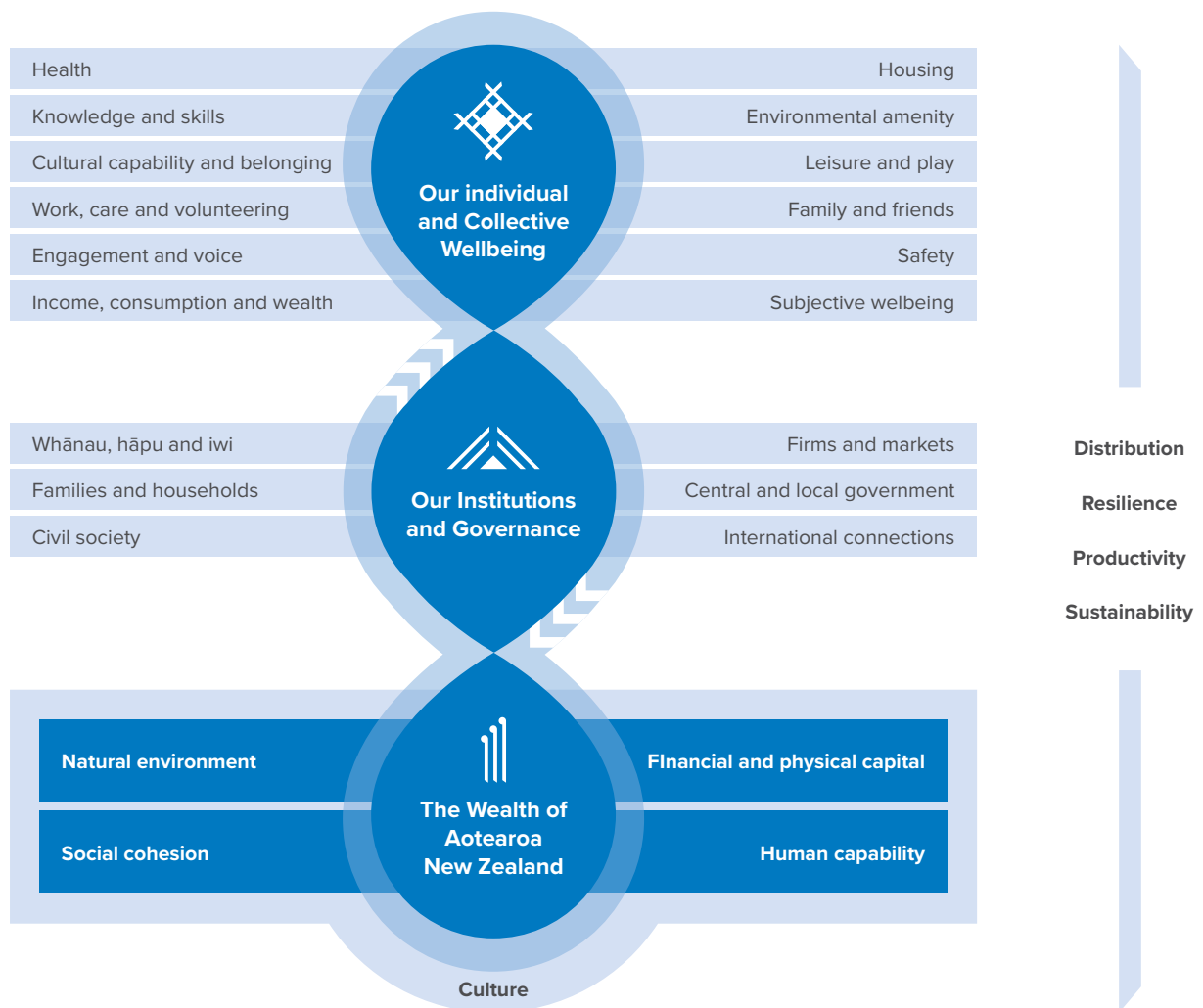
DO YOU HAVE A
BUSINESS IDEA?



WHAT IS ECONOMIC WELLBEING?

The MEWS is the first economic wellbeing strategy for Marlborough.

In 2019 Treasury (Ministry of Internal Affairs) published the wellbeing strategy. New Zealand was one of the first countries in the world to publish a wellbeing strategy. It was based on the Living Standards Framework for New Zealanders. Here is the latest 'Living Standards Framework' for 2021:



Based on this wellbeing framework local government is tasked with four wellbeing's:

- > Cultural Wellbeing
- > Environmental Wellbeing
- > Economic Wellbeing
- > Social Wellbeing

These 'wellbeings' are all inter-connected and through this report the EDT want to draw attention to the inter-connectedness of economic wellbeing with the other 'wellbeings'.

Last year StatsNZ identified a list with 100 indicators for New Zealanders' wellbeing. Whilst some indicators do not have a lot of data yet, these models are likely to become more important in the future.

Top headlines of the future wellbeing indicators for New Zealanders are:

- > Culture
- > Identity
- > Subjective Wellbeing
- > Cities & Settlements
- > Land
- > Health
- > Ecosystems
- > Economic Standard of Living
- > Social Connections
- > Knowledge & Skills
- > Governance
- > Climate
- > Safety
- > Water & Sanitation
- > Work
- > Air Quality
- > Leisure
- > Waste

All these topics are important indicators to be measured in the future for New Zealanders. The EDT therefore wants to align The MEWS with the general future approach of the national wellbeings.

MDC acknowledges that the natural environment and biodiversity are of vital importance to the future wellbeing of the Marlborough region. It is not possible to silo the Te Taiao: it is the natural environment which constitutes a vital part of the regional economy and on which our human wellbeing depends. Climate change is a threat to the future wellbeing of the planet. The EDT will continue to actively work with industry on improving sustainability through change and risk mitigation.

From the industry engagement workshops, conversations, and observations EDT has chosen to highlight wellbeing indicators for Marlborough so stakeholders, both internally as well as externally, can align programmes and initiatives.

Additional resources will be required from all stakeholders to enable The MEWS.

Other common wellbeing themes for Marlborough gleaned from the workshops are:

- > Housing Availability & Affordability
- > Digital Connectivity/Wi-Fi/5G
- > Secondary School Education
- > Lifestyle
- > Town Centre Vibrancy

These are all very important topics that underpin the success of any strategy, however, for the purpose of focus and clarity, this strategy is focused specifically on building strength, productivity, and wellbeing in Marlborough's business sectors. It is acknowledged there are other sectors that contribute to the regional economy.

MDC will continue to play its multi-dimensional role in supporting the provision of housing with other stakeholders.

METHODOLOGY

To obtain information, insights, and industry feedback on The MEWS, the EDT have had deep engagements with a wide variety of stakeholder groups in the region. They have also collaborated on this work with the Marlborough Regional Skills & Leadership Group (RSLG).

WORKSHOPS

The EDT organised a total of 12 workshops across the following industry and stakeholder groups:

- > Wine
- > Forestry
- > Screen
- > Technology & Innovation
- > Aviation
- > Chamber of Commerce Business Members
- > Business Trust Marlborough Clients
- > Angel Investors Marlborough
- > Business Network International (BNI)
- > Business Service Providers
- > MDC Intern
- > Youth Groups

These facilitated workshops answered questions such as:

- > What are the strengths of your Industry/ Marlborough?
- > What are the challenges?
- > What are the opportunities?

These questions led to meaningful conversations empowering the participants to share problems, questions, and ideas.

Furthermore, in most workshops, the RSLG team led part of the conversation to refine and validate a vision for Marlborough's labour and skills market.

More than 100 business leaders, including industry representatives, participated in the workshops with 1000 sticky notes that captured challenges, strengths, opportunities and ideas.

Other methodologies used were:

- > Personal one-on-one conversations with CEOs, founders and industry representatives;
- > Workshops conducted earlier in the year (e.g. Tech & Innovation Group, and a Screen hui);
- > Digital surveys;
- > Relevant industry reports and presentations.*
- > Desk research on economic data and statistics;**

Additional relevant information was gathered from:

- > Smart + Connected Groups - Aquaculture, Forestry and Labour & Skills;
- > Screen Hui Feb 2021;
- > Tech & Innovation Workshops Nov 2020 – March 2021;
- > TEAM – COVID-19 Recovery Report 2021.

The following groups are in the planning for workshop engagement in 2022:

- > Aquaculture and Fisheries (The Blue Economy);
- > Food and Fibre.

*) See supporting document.

**) Source data:

- Infometrics Marlborough Annual Economic profile 2021 for the GDP, jobs and business stats
- Top of the South identification of '21 competitive advantages by Benje Patterson, 2021

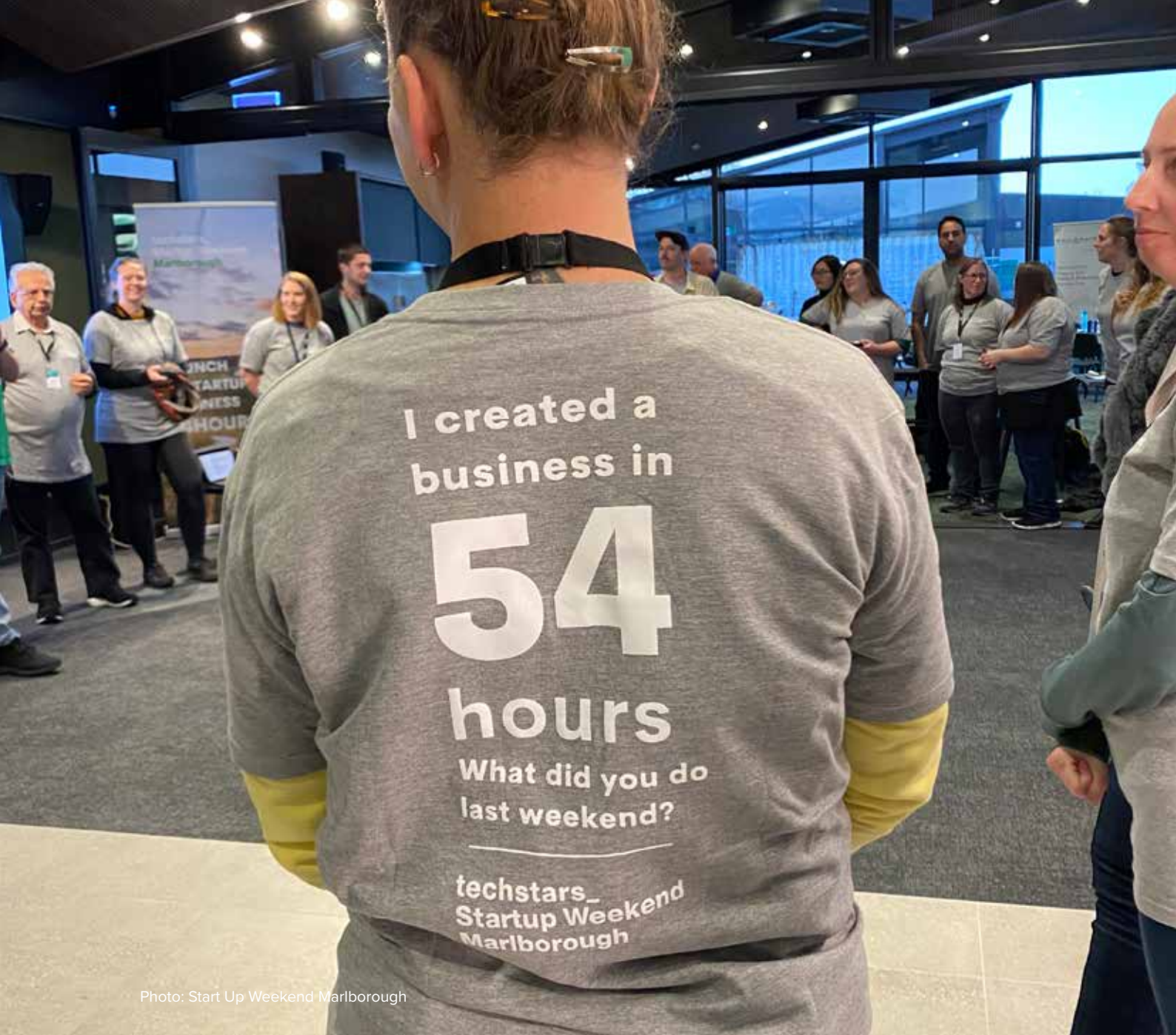


Photo: Start Up Weekend Marlborough

CONSULTATION

After the release of the draft strategy a consultation period followed.

- > MDC received a total of 26 submissions to the MEWS
- > The EDT have read and summarised all submissions and they were presented to Council on 16th June with suggestions for consideration, which were accepted.
- > A final Strategy was adopted at this meeting.

PURPOSE OF THE MARLBOROUGH ECONOMIC WELLBEING STRATEGY

PURPOSE

The MEWS has been developed with wide industry engagement to jointly create a vision for the Marlborough economy, as well as identifying the current challenges and opportunities for Marlborough’s large industry sectors.

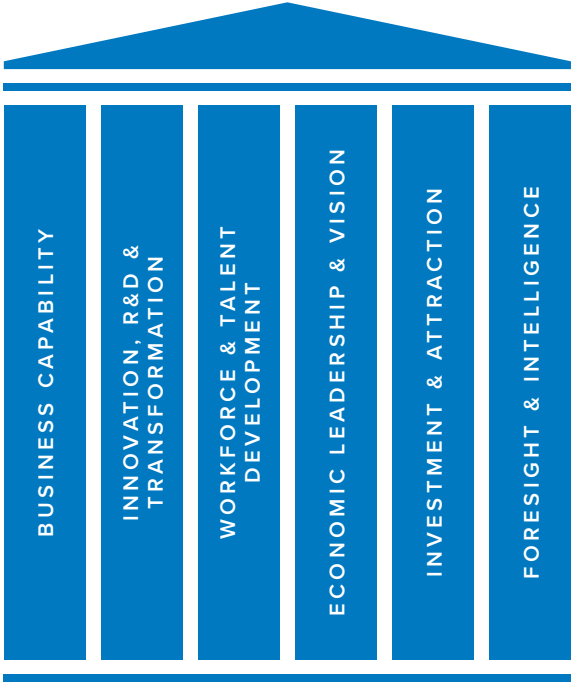
The EDT has led this work to deeply understand the current challenges and opportunities for the region’s economy. Furthermore, the purpose was to co-design work programmes servicing the needs identified by industry sectors.

The strategy was developed because a plan is needed to best utilise existing and new resources provided by the LTP to enhance innovation and resilience through technology and collaboration, as well as stimulating economic diversification.

THE SIX PILLARS

- 1/ Business Capability
- 2/ Innovation, R&D, and Transformation
- 3/ Workforce & Talent Development
- 4/ Economic Leadership & Vision
- 5/ Investment & Attraction, including Storytelling
- 6/ Foresight & Intelligence

The EDT works across these pillars in a wide partnership with other agencies and organisations in the region to get the best results and outcomes for Marlborough’s industry sectors and individual businesses. Here is a diagram of the economic development activities supported by the EDT.



The MEWS offers an agile and pragmatic manual on the region's economy with information and intelligence on key sectors. It provides an overview of the main challenges and opportunities and matches resources to service and support Marlborough industries.

The business environment is constantly evolving. Economies in the world have been shaken by COVID-19 and there are changes expected related to climate change and other world events. This means that the strategy reflects the workshops and engagement had to date i.e. March 2022. The EDT expects things to change.

The strategy will be reviewed regularly so the EDT can respond to these changes in markets and the economy. The focus will remain on increasing wellbeing and productivity through technology, innovation, and collaboration.

Please note:

Some important economic industry sectors are not (yet) specifically mentioned as Focus Sectors in The MEWS. The reasons vary, but mainly due to COVID-19 and other circumstantial events, the EDT has not been able to run industry-wide workshops with these sectors yet:

- > Tourism – this is a large and important contributor to the economy in Marlborough. As a Regional Tourism Organisation, Destination Marlborough (DM), has been funded for destination marketing to increase visitor growth and spend. Because of the changing industry position, due to COVID-19, DM has rapidly evolved in the past two years to cater for the much larger challenge of destination management. While DM continues to lead destination marketing for the region, its focus has shifted towards ensuring the following:
 - That the community licence is maintained and enhanced, and the environment is protected;
 - Ensuring the region's narrative aligns with its unique position;
 - New visitor products are developed accordingly.

- > In 2020 the Minister of Tourism directed all regions to develop Destination Management Plans which align with Iwi, community, and industry aspirations, and embrace changes in visitor markets and societal expectations. Marlborough's Destination Management Plan has been produced simultaneously to The MEWS and through collaboration and mutual goals these plans are well-aligned. This is imperative for the success of the region. Refer to the Destination Management Plan by Destination Marlborough for further information and content.

- > Food & Fibre Sector – this is an important and large industry contributing to the Marlborough economy with farming and food production.

MDC has been supporting these strong sectors of the land, i.e. farming, fibre, and primary producers through separate workstreams, innovative and future-focused research and development projects and industry engagement programmes through the Marlborough Research Centre (MRC). MRC is working closely with various MDC departments and the Primary Industry Producers Forum (PIPF) for the benefit of primary producers in Marlborough.

Furthermore, Marlborough is home to a rich variety of food producers varying from olive oil, pine nuts, hemp, lamb, beef, and high-country merino right through to cherries, nectarines, cheeses, figs, vegetables, and condiments. Recent analysis indicates that mussels are the most sustainable animal protein farmed by humans.

Many Marlborough food producers are scattered around the region and the variety of produce is outstanding and diverse.

While this is a strength, it also makes this important sector somewhat vulnerable. To tackle this vulnerability 'FEAST' has organised itself around the food and beverage producers in Marlborough. FEAST has an experienced management board and a vision to grow the industry and raise its profile nationally and internationally. FEAST has produced a strategy for Marlborough's food and beverage producers, and it ran a successful suite of events in 2021 with the support of MDC's TEAM COVID-19 recovery programme.


Other food producers' collectives in Marlborough are 'the Marlborough Farmers Market' and 'Wholefood Marlborough'.

Following submissions to the Strategy by FEAST Marlborough the EDT has engaged with Angela Clifford, CEO of EAT NZ. Angela will be leading the inaugural Marlborough Food Hui on November 8th 2022.



Photo: Richard Briggs Photography, Marlborough Innovation Day





FOCUS SECTORS

- > Māori Economy in Marlborough
- > Aquaculture - The Blue Economy
- > Aviation
- > Forestry & Wood Processing
- > Marlborough Screen & Creative Industries
- > Technology & Innovation
- > Wine Industry

Photo: MarlboroughNZ



3,442

JOBS

MĀORI ECONOMY IN MARLBOROUGH

BACKGROUND & CONTEXT

From December 2021 until March 2022 Post Graduate Student William MacDonald undertook a piece of research into how MDC might best support the Māori Economy in Marlborough.

This work has been incredibly valuable for the EDT and the full report has been added in the supporting documents to this strategy.

MĀORI ECONOMY IN MARLBOROUGH

EXECUTIVE SUMMARY OF THE RESEARCH

The central purpose of this report is to create understanding and analyse how the Economic Development Team at MDC can better support Māori businesses (authorities and SMEs - small-to medium-sized enterprises) in a Māori Economy in Marlborough. The Māori economy is currently undefined in Marlborough and is not acknowledged as a resilient and sustainable economic sector in Marlborough, in the manner it should be.

External change is an inevitable revolution to which organisations are required to adapt to to survive. COVID-19 has created unprecedented conditions as Māori businesses are continuing to operate in VUCA (volatile, uncertain, complex, and ambiguous) scenarios. This report aims to explore supporting actions MDC can take to assist local Māori businesses to recover and thrive in a Māori Economy in Marlborough.

According to StatsNZ, the proposed definition of a Māori business is as follows:

A business that is owned by a person or people who have Māori whakapapa (genealogy), and a representative of that business self-identifies the business as Māori.

The relative size of the Māori community present in Marlborough is shown through eight iwi who have tangata whenua/mana whenua status, including Te Ātiawa o Te Waka-a-Māui, Te Rūnanga a Rangitāne o Wairau, Ngāti Toa Rangatira ki Wairau, Ngāti Apa ki te Rā Tō, Te Rūnanga o Ngāti Kuia, Ngāti Kōata, Te Rūnanga o Ngāti Rārua, and Te Rūnanga o Kaikōura.

An interesting statistic for Marlborough is that the median age of Marlborough's Māori population is 26.8 years as opposed to the New Zealand median of 45.5 years. This offers an excellent opportunity for retention/attraction of young people in the region. Furthermore, there are businesses who are operated by Māori from outside of our rohe.

The report was a research-based piece on the successes of Māori businesses in different industries across New Zealand, followed by an emphasis on critically analysing what a Māori Economy is.

Further research was carried out via face-to-face discussion with local Māori businesses (both Māori SMEs and Māori authorities, who were willing to kōrero) in Marlborough, to gain an understanding of what Māori business owners desire from MDC to support this untapped economy. This research was designed to fill the gap in MDC's reach to Māori businesses, in a Māori economy, and address the gap in MDC's fundamental knowledge of assisting these businesses in Marlborough.

This was followed by a critical analysis of the research conducted, creating links through common themes. Specifically, providing recommendations based on these common themes as to how MDC can best assist a Māori Economy in Marlborough. Also, in relation to tikanga Māori (customs, protocols), particularly relating to best practice following Māori protocols during this process.

NGĀ TĀHŪ – COMMON THEMES AND RECOMMENDATIONS FROM THE RESEARCH

After conducting this research and analysing the information collected, three common themes arose.

They are linked to the traditional values of the Māori culture (whanaungatanga, manaakitanga, rangatiratanga, and kaitiakitanga).

The common themes are as follows:

- 1/ A need for a central network for Māori businesses in Marlborough via the Te Taihu Māori business network;
- 2/ Improving/revamping the Blenheim CBD – specifically, utilising the Taylor Riverbank;
- 3/ Telling locally preserved Māori stories through various ways.

Actions & Next Steps

- 1/ Present The MEWS to iwi general managers to discuss the economic wellbeing strategy for Marlborough and find out how to best take the next steps to support Māori businesses and the Māori economy in the region.

Supporting documents

Research ‘Te Taiōhanga Māori o Wairau’ – by William MacDonald

Presentation Dr Jason Mika on supporting the Māori Economy in NZ

Photo: Havelock Mussel Festival



\$108M

GDP

945

JOBS

150

BUSINESSES

#1

REGION NATIONALLY
FOR AQUACULTURE
AND SEAFOOD
PROCESSING

AQUACULTURE - THE BLUE ECONOMY

BACKGROUND & CONTEXT

From sheltered bays in the Marlborough Sounds to the exposed coast south of Cape Campbell, Marlborough is home to about 1,800km or 20% of New Zealand's coastline.

The region's territory also includes half of the critical North-South transport corridor. Te Moana o Raukawaakawaa, Cook Strait is among the most fertile aquaculture (shellfish, fish, and seaweed) and commercial fisheries' body of water in New Zealand. It is an area which many people enjoy for recreation or rely on for a living, by providing opportunities for many businesses, both direct and ancillary.

Marlborough is home to mussel, salmon, and oyster farms. Beyond marine farming's contribution as a primary industry, it has created award-winning local businesses in nutraceuticals, farming systems and ancillary services, such as net cleaning machines and textiles.

Central Government has recently developed a strategy to turn Aquaculture 'The Blue Economy' into a 3-billion-dollar lower emission industry by 2035. The strategy revolves around:

- > Maximising the value of existing farms through innovation
- > Extending into high value land-based aquaculture
- > Extending aquaculture into the open ocean

Marlborough produces about 60% of New Zealand's exported aquaculture products, mostly with its mussels and salmon production. The internationally recognised innovations created in Marlborough such as FlipFarm system and the Boss Aqua net cleaning device among many others highlight this potential.

The importance of the sector to Marlborough has been identified in the Te Taihū Intergenerational Strategy, the Marlborough Regional Skills Leadership group workforce plan and is reiterated here.

AQUACULTURE - THE BLUE ECONOMY

Iwi across Te Taihū/Top of the South are increasingly investing in marine farming and have identified the development of a Blue Economy Strategy as a priority area for strengthening the wider regional economy. This aligns with the Government's aquaculture strategy to grow the sector sustainably to \$3 billion by 2035.

Please note: The current chapter on Aquaculture in The MEWS is based on MDC's Smart + Connected meetings and individual conversations with industry players, including the Marine Farming Association in Blenheim. A vital next step is broader industry workshops, including participants from Council Port operations, marinas, maritime transport/ferries, vessel repair and technology businesses, yachting companies, coastal tourism, inshore and open ocean aquaculture, and inshore and deep-water commercial fishing companies.

CURRENT STATE OF AFFAIRS

Strengths

- > World Class industry that produces sustainable seafood products that are sought after internationally
- > Shellfish aquaculture is a sustainable means of producing protein for a growing global population
- > There is significant local investment in the sector exemplified by new processing plants, new nutraceuticals products and an innovation centre in Riverlands.
- > Marlborough is home to about 1,800 km of 20% of New Zealand's coastline
- > Home to World Class research facilities in the Cawthron Institute and Plant and Food research.
- > A smart and connected industry

The Benje Patterson People and Places Report also highlights Aquaculture as a cornerstone and united industry for Te Taihū, as demonstrated by high location quotients in fishing and aquaculture, as well as seafood processing.

Employment in the sector is primarily located in Havelock and Waitohi/Picton, with processing plants also located in Riverlands and Cloudy Bay Industrial Park, however ongoing labour shortages are constraining expansion and affecting productivity. This is impacting Marlborough's economic wellbeing since production and processing provides both employment and investment. The goal is to nourish the environment and foster the industry leading to improved outcomes for both the industry and the community.

The focus, set at a national level and shared locally, is to make the industry more sustainable, productive, resilient, and inclusive.

OPPORTUNITIES

To retain and strengthen its position as a leading player/presence in New Zealand aquaculture, the Te Taihū Top of the South aquaculture industry may benefit from a coordinated approach across all stakeholders. The full adoption of the existing sustainable management regimes including, but not limited to, the AQNZ administered A+ Sustainable Management programme or the Marine Farming Association Environmental programme might help fulfil its potential, contribute to the economy, and help communities prosper culminating in economic wellbeing for Marlborough.



Photo: MarlboroughNZ

Within the industry there are several new opportunities including:

- > Iwi growing presence and involvement in the sector;
- > Utilising waste streams from aquaculture and other sectors (viticulture) to extract value from products and waste biomass creating a circular economy;
- > Raising the profile of shellfish producers focussing on added value products to drive further innovation and open new markets;
- > Moving to bigger fish farms in open sea Te Moana o Raukawakawa, Cook Strait to improve productivity, increase investment and;
- > Increase investment, New Zealand’s exclusive Blue Ocean economic zone is 15 times bigger than our land area;
- > Developing trials for seaweed farming in the Marlborough Sounds for regenerative purposes;
- > Developing cooperation between iwi, MDC, MFA, aquaculture companies and science organisations on restorative aquaculture projects in Tootaranui, the Marlborough Sounds;
- > Co-location of species – e.g. mussels and seaweed;
- > Innovation and technology investment to enhance productivity like ‘Flip Farm’ and ‘Boss Aqua’.

These opportunities should attract investment and talent in aquaculture to Marlborough so that Marlborough and Te Taihu/Top of the South literally become the ‘innovative heart’ of the New Zealand aquaculture industry. Further investment should also help enhance the environment and create additional higher paying jobs which improves wellbeing for the industry and the economy.

AQUACULTURE - THE BLUE ECONOMY

RECOMMENDATIONS FOR THE AQUACULTURE SECTOR

Actions & Programmes

- 1/ It is acknowledged that work at a national level has begun through collaboration across the sector. Oceans and Fisheries Minister David Parker has initiated changes to the RMA to unlock the potential of the industry. MDC looks to be actively involved in this review.
- 2/ Develop a sustained and committed process of engagement with iwi as Treaty partners in the development of aquaculture in Te Taihū/Top of the South.
- 3/ Nelson's Regional Development Agency (NRDA) has launched an Activation Proposal, including a Blue Economy cluster for Te Taihū/Top of the South. Engagement is recommended with NRDA to promote collaboration and coordination across the industry.
- 4/ The EDT with industry to review the Aquaculture Smart + Connected Programme
- 5/ The EDT to bring industry and MDC together on a regular basis like forestry and viticulture to promote shared understanding of roles collaboration on MDC and industry plans
- 6/ The EDT to help create collaboration and synergies between all (Agri)-sectors in Marlborough. Bring research, innovation, and tech sectors closer together by hosting regular Regional Innovation Days.
- 7/ Encourage improved environmental monitoring, especially remote monitoring to allow for the management and improvement in waterways so that all stakeholders have visibility over the issues and improvements.
- 8/ Support improved digital connectivity for remote areas to assist with data collection and productivity enhancements.
- 9/ Create working groups with industry and MDC to identify sites and encourage investment in waste management/ minimisation/recycling/utilisation of mussel shells, fish frames, reducing fish mortality and reducing single-use packaging.
- 10/ Work with Marlborough Airport and Port Marlborough to ensure Marlborough's produce can reach markets around the world.
- 11/ Bring the scientific and research community together with industry to share a vision on the problems and opportunities, e.g. value addition/downstream processing of products such as nutraceuticals, mussel oil vs. frozen half-shell mussels.
- 12/ Collaborating on developing a stronger voice for the Marlborough aquaculture industry within Central Government so MDC can access more focused support and funding.

- 13 / Collaborating on marketing and storytelling of the Marlborough and Te Taiuhu/Top of the South food & wine story.
- 14 / Working with Central Government, including utilising their Sustainable Seas economic research to create value in Marlborough's blue ocean's economy.
- 15 / The EDT to investigate co-designing an Energy and Waste Strategy for Marlborough to assist with the removal of fossil fuels, accelerate the electrification process and encourage the move to the circular economy.
- 16 / The EDT to review and consider updating the 2015 NZIER economic contribution of marine farming to Marlborough report.
- 17 / The EDT, as part of the review of the Smart + Connected programme, reach out to broader industry workshops including participants from port operations, marinas, maritime transport/ferries, vessel repair and technology businesses, yachting companies, coastal tourism, inshore and open ocean aquaculture, and inshore and deep-water commercial fishing companies.
- 18 / EDT to bring industry and MDC together on a regular basis like forestry and viticulture to promote shared understanding of roles and collaboration on MDC and industry plans.

Relevant reports/materials

Te Taiuhu Blue Economy: Activation Proposal

<https://www.beehive.govt.nz/release/rma-reform-needed-keep-aquaculture-moving>

2015 NZIER report The economic contribution of marine farming in the Marlborough region

Aquaculture Smart + Connected Forum

<https://www.mpi.govt.nz/fishing-aquaculture/aquaculture-fish-and-shellfish-farming/aquaculture-strategy-for-new-zealand/>

<https://www.mpi.govt.nz/dmsdocument/48526-Life-Cycle-Assessment-of-NZ-Mussels-and-Oysters>

Benje Patterson 'People and Places Report' identifying competitive advantages using location quotient analysis for the top of the south regions
Not all publicly available. Report commissioned by MDC

Waste Management and Minimisation Plan 2021-27

Photo: Sounds Air



\$96.6M

GDP

955

JOBS

33

BUSINESSES

#2

REGION NATIONALLY
FOR DEFENCE

AVIATION & AEROSPACE

BACKGROUND & CONTEXT

Marlborough has a long history with aviation and the industry has been identified as a key driver for economic wellbeing.

Marlborough is home to innovators in aviation, with three airport operations at Woodbourne, Omaka and Waitohi/Picton (Koromiko). Airbus is a major employer, NMIT provides aviation training and there are various aviation engineering service providers. Did you know that Omaka is the only place in the world where one can purchase a reproduction WWI rotary engine? The Omaka Aviation Heritage Centre (OAHC) is world class and has become a leading tourist attraction in the region.

Airports are vital for unlocking economic activity and as people have switched on to being able to work from anywhere, these gateways have become even more important to attract talent and drive productivity.

AVIATION

CURRENT STATE OF AFFAIRS

- > Approx. 350 flights per week
- > Woodbourne is one of three New Zealand Defence Force (RNZAF) bases in New Zealand, with a focus on military training. It also hosts NMIT's Aeronautical Engineering courses.
- > Marlborough is home to innovators in aviation including Woodbourne, the largest of New Zealand's Airforce bases, and Airbus with 300 employees.
- > Sounds Air is a local aviation company with plans to be the first electric commercial flight provider in New Zealand.
- > Omaka Airfield, which is located next to the Aviation Heritage Centre, is home to several aviation-related businesses, including heritage restoration, agricultural support, and helicopters.
- > Waitohi/Picton (Koromiko) Airport hosts Sounds Air, Pelorus Air, and a drone school.

Strengths

- > Aviation repairs and maintenance – Marlborough has many places for aircraft repairs and maintenance and is over indexed on engineering capability driving economic activity.
- > The NMIT Aviation Engineering School
- > The Omaka Aviation Heritage Centre (OAHC) is a world class tourist attraction, event centre and runs a very popular air show attracting up to 20,000 visitors to the region every two years.

Challenges

- > As with other industry sectors, COVID-19 has caused considerable disruption. Adding to this, the focus on carbon reduction and the changing needs of the RNZDF, has created a level of uncertainty for the sector.
- > Feedback from MDC's aviation workshop highlighted the fact that RNZDF are looking to upgrade their air fleet. These new planes are unlikely to be able to land at Woodbourne Airport. This might impact the current workforce and create a need for retraining to meet the new planes' requirements.
- > Options for the ability to develop the land under Woodbourne Airport need to be explored.
- > Currently NMIT run the Aviation Engineering Course on the RNZDF Base which requires further security measures and limits student numbers.

Opportunities

- > As is the theme within this strategy, connectivity and accessibility are a key tenet of economic and social wellbeing.
- > The ability to work from anywhere is premised on being able to get anywhere when required. Attracting highly skilled remote workers and tourists to Marlborough requires regular and affordable flights.
- > Having good logistics for Marlborough's world class produce extends Marlborough's 'farm-to-table' potential to destinations around New Zealand and the world. Fresh produce flown directly to market has great potential for Marlborough's primary industries and requires key transport infrastructure and airport development.
- > With Sounds Air, Marlborough Airport, Marlborough Lines, NMIT and the supporting engineering businesses, Marlborough is a natural hub that could lead New Zealand into zero carbon flights.

RECOMMENDATIONS FOR THE MARLBOROUGH AVIATION SECTOR

Actions & Programmes

- 1 / Set up a Smart + Connected Group for the aviation community, if the industry desires it, to ensure links with MDC and connectivity with aviation stakeholders and the community.
- 2 / Work with Sounds Air, Marlborough Airport and Marlborough Lines to ensure the infrastructure is in place for electrified planes.
- 3 / Engage with Airbus and other Marlborough engineering firms to promote Marlborough's aviation engineering capability to the relevant markets.
- 4 / Support the efforts of NMIT to remove restrictions on those who can study aviation.
- 5 / Support efforts to resolve the land ownership issue to unlock the potential in the Marlborough Airport.
- 6 / Work with Marlborough aviation stakeholders to develop a Vision for Aviation in Marlborough.
- 7 / MDC to support OAHC to assist them to become the best heritage aviation facility it can be.

Relevant reports/materials

Aviation Workshop

Photo: PF Olsen



\$63.2M

GDP

487

JOBS

285

BUSINESSES

#5

REGION NATIONALLY
FOR FORESTRY
SUPPORT SERVICES
AND #6 FOR LOG
SAWMILLING

FORESTRY & WOOD PROCESSING

BACKGROUND & CONTEXT

Marlborough has a long-standing forestry and wood processing industry, and the sector continues to be an important part of the regional economy.

A study by BERL in 2018 estimated that the combined forest and logging and wood processing industry in Marlborough generated a total output of \$400 million, which created \$164 million in regional GDP and resulted in the employment of 829 FTEs.

In terms of quantities, Ministry of Primary Industries (MPI) estimated that the amount of wood available to harvest annually in Marlborough would be approximately 1.5 million cubic metres.

FORESTRY & WOOD PROCESSING

CURRENT STATE OF AFFAIRS

Currently a sizable proportion of the wood available for harvest (approximately 60%) is exported as logs out of New Zealand via Port Marlborough.

China and South Korea are the key export destinations. Remaining quantities are either transported out of the region by road or rail or processed locally at the Kaituna Sawmill, which produces timber for manufacturing and exports. At the end of 2020 Marlborough lost its other sawmill, 'Timberlink', when the company decided to close their Blenheim facilities in 2021. The closure meant job losses for 75 staff members – most of whom have found new employment since.

Greater sawmilling capacity does not always mean these additional logs would be wanted. Many of the logs exported are different grades than those used in New Zealand. It is important to understand this when looking at exports and timber shortages. If there were ways to further utilise some of the different grade levels of logs locally, i.e. by adding value to them, this could be beneficial on various levels.

At a national level, the current Government sees forestry and wood processing as continuing to be a key economic driver for the country, and an industry which represents exciting opportunities for growth and transformation.

OPPORTUNITIES

The forestry industry can be a key component industry in responding to the threat of climate change.

Backed by the forestry minister, a key role for the Te Uru Rākau - New Zealand Forest Service is to drive the focus on regional economic development, skills and training resulting in lower emissions in the future.

Key objectives and ideas include:

- > Increasing wood processing onshore and creating new mills and wood processing plants; thereby creating more jobs in regional economies;
- > Using wood process plants to create high-tech, high value wood products and by-products;
- > Creating biofuels and biochemicals to support New Zealand's move away from fossil fuels;
- > Permanently reforesting remote, unproductive, and highly erodible land with native trees to provide a long-term carbon sink, improve biodiversity, and water quality.

Engagement work to identify key challenges and opportunities for the sector has already commenced at the national level. Te Uru Rākau – New Zealand Forest Service is leading the development of an Industry Transformation Plan (ITP), which is out for consultation in 2022.

The aim for the ITP is to:

- > Lift productivity across the sector;
- > Produce more products from logs;
- > Contribute more to New Zealand's economy;
- > Unlock the sector's potential to support climate change goals.

Challenges

- > A significant percentage of small businesses and local ownership, which provides an unstable supply of incoming logs for the sawmill.
- > Environmental challenges in view of current and future environmental expectations.
- > A reliance for the industry on one sawmill company.
- > Labour shortages.
- > Market volatility and dependence on one or two markets.
- > Disruption through climate induced events and the COVID-19 pandemic.
- > Industry costs/changing business models.

Opportunities

- > Stronger engagement between Industry, MDC, and Central Government
 - Better connection between MDC's environmental & regulation teams and policy makers.
 - Encourage more plantings and a good understanding of the Emissions Trading Scheme (ETS).
 - Closer relationships with supply chains, e.g. trucks and transport.
- > Promotion and storytelling for the industry
 - Through digital platforms and social media.
 - Recognising the non-wood opportunities from forestry e.g. recreation, oxygen, and carbon.
 - Environment and sustainability.
 - Show the career pathways within the sector.
- > Technology & development support
 - Through tech & automation.
 - Silviculture.
 - Innovative technologies for harvesting, processing, and pro-active identification of new challenges for the industry.
- > Create a value-add product supply chain, rather than just logs.
- > Biofuels and to raise the profile of products coming out of the sector i.e. chip and sawdust.

FORESTRY & WOOD PROCESSING

RECOMMENDATIONS FOR THE MARLBOROUGH FORESTRY SECTOR

Actions & Programmes

- 1/ Bi-annual MDC meeting with the forestry industry and representatives from all teams e.g. the environment team, regulatory/policy making teams and the EDT.
- 2/ Support the forestry industry on the digital journey, including storytelling through digital platforms and social media.
- 3/ Create opportunities for the industry to get together and develop innovative ideas/solutions to solve industry problems through technology and innovation.
- 4/ Help establish career pathways.
- 5/ Initiate Smart + Connected Forestry Group meetings – bi-monthly meetings for industry to discuss industry-wide projects in collaboration with each other and MDC's Economic Development Team.
- 6/ Industry has recently appointed their own Social Media Manager who has been supported by MDC's Social Media Lead with social media training.
- 7/ Co-design and create a content strategy for a Marlborough Business and Innovation quarterly newsletter.
- 8/ Provide an industry opportunity to participate in the Marlborough Start-up weekend.
- 9/ Industry to participate in Innovation Day for Marlborough.
- 10/ Support the collaboration for forestry technology and innovation by building up the wood industry community regionally, as well as nationally.
- 11/ Help create innovation programmes for forestry, with environmental solutions within the wider eco-system.
- 12/ Support by identifying and realising funding opportunities for forestry projects and R&D.
- 13/ Participate in the national TechWeek programme.
- 14/ Collaborate and potentially help build platforms for partnerships between the start-up community, entrepreneurs, investors/Marlborough Angels and large corporates to create more start-ups in Marlborough.
- 15/ Investigate co-designing an Energy and Waste Strategy for Marlborough to assist with the removal of fossil fuels, accelerate the electrification process and encourage the move to the circular economy.

Supporting Documents

Report Forestry workshop Nov. 2021

MPI Industry Transformation Plan (ITP)
Forestry

Waste Management and Minimisation
Plan 2021-27

Photo: Rob Duff, Little White Dog



\$5.6M

GDP

103

JOBS

36

BUSINESSES

#15

REGION NATIONALLY
FOR MOTION
PICTURE AND VIDEO
ACTIVITIES

MARLBOROUGH SCREEN & CREATIVE INDUSTRIES

BACKGROUND & CONTEXT

After three years of collaboration with Screen Wellington, Marlborough now proudly has its own regional film office and is a fully acknowledged member of the Regional Film Offices of New Zealand.

The Regional Film Offices collaborate with each other and with the New Zealand Film Commission (NZFC) and are together building a 'Film Friendly' environment in New Zealand.

Monthly meetings take place at MDC to work on enquiries from studios from overseas and to implement best practice resulting in a 'film friendly' environment. Enquiries from film

makers are being dealt with by the Marlborough Regional Film Office.

Whilst Screen and the Creative Industries are true economic sectors with a potential to contribute to the economy and GDP of Marlborough, these sectors have a strong connection and cross-over with the cultural wellbeing for the region. It is important to acknowledge the importance of Creative Industries as a cornerstone of future economic development in the region. This is one of the areas where Government can make a big impact on Economic Wellbeing, as well as Social and Cultural Wellbeing.

MARLBOROUGH SCREEN & CREATIVE INDUSTRIES

CURRENT STATE OF AFFAIRS

The film industry in New Zealand has been hit quite dramatically by the COVID-19 pandemic which has cruelly disrupted a growing pipeline of international productions taking place here. The MIQ system has made it very hard for international productions to bring talent and directors/producers into the country – let alone crews. Currently this pipeline of enquiries is growing again, which gives the sector a well-deserved energy boost.

It is fair to state that Marlborough can be considered as a start-up screen sector with a lot of impressive assets. These are:

- > Grassroots movement of talent making short films in the region;
- > A feature film, 'Northspur', which was 100% filmed in the region and 50% funded by Angel Investors Marlborough (AIM);
- > A potential for Marlborough film studios to attract big and international productions e.g. 'Sawmill Studios' located in the old Timberlink sawmill plant;
- > Omaka Heritage Aviation Centre's ability to display many of Sir Peter Jackson's collection of heritage planes;
- > The Annual 'Top of the South Film Festival' event that has been gaining more interest over the past 10 years;
- > The 'Sawmill Studio Collective' Trust is in the process of being set up. The Trust has been granted free guardianship over the office space and the large workshop space behind the office for crews and teams to create content and productions, to collaborate and grow together. The space has been donated to the creative community at no cost and will be freely available to teams over the next two years.

Since August 2021, Screen Marlborough has worked consistently with a group of stakeholders in the region to build the programmes for the sector. Workshops took place in February 2021 at the inaugural Marlborough Screen Hui and with a smaller group of film makers on Saturday 25 September 2021.

OTHER CREATIVE INDUSTRIES

Marlborough is a highly cultural and creative region. There are kairaranga, kaiwhakairo, painters, potters, writers, designers, actors, musicians, photographers, and sculptors - the list is endless. This research has found there is a strong appetite amongst these artists and creators to be connected to build a stronger community and a long-term vision for a Marlborough arts & culture 'identity'.

There are specific opportunities for the music sector to develop, including spaces for musicians to perform and attracting bands to Marlborough.

The Ministry of Culture & Heritage is currently supporting regions with seed-funding and project funds for developing innovative ideas and projects. It would be relevant for Marlborough to update the Marlborough Arts & Culture Strategy to benefit from Central Government initiatives for arts and culture projects in the region.

Creatives in the film industry often cross-over into other creative sectors: writing, music, design, technology. Overall, creativity and culture improve the wellbeing of communities and individuals, either by being actively involved creating or by watching and visiting.

OPPORTUNITIES

- > Build a solid grassroots foundation of talent in the region through training, courses, workshops and doing.
- > Be known as a 'film friendly' region, meaning:
 - Incredible locations and sites, easily accessible;
 - Smooth permitting system;
 - Get new teams/talent into the offices and studio facilities for creative work and screen productions.
- > Tell the stories of the Marlborough film sector – people, mahi and opportunity to be part of this exciting creative sector.
- > Invite other creative & technology teams to join and meet each other and collaborate.
- > There is huge potential for rangatahi to be trained and educated in our region for the screen sector.
- > Work closely together with the Nelson and Tasman Region to support the sector for the entire Te Taihū/Top of the South region – this is already happening amongst the crews. There is a lot of (international) creative talent hidden in the Top of the South and they are already finding each other. Finding a good platform for collaboration would highly increase the opportunities for growth of the industry.

MARLBOROUGH SCREEN & CREATIVE INDUSTRIES

RECOMMENDATIONS FOR THE MARLBOROUGH SCREEN & CREATIVE INDUSTRIES SECTOR

Actions & Programmes

- 1 / Update the Marlborough Arts & Culture Strategy.
- 2 / Engage with Iwi about promoting the screen sector to tell the local Māori stories.
- 3 / Investigate how to best support a strong and collaborative screen sector across Te Taihū/Top of the South together with Nelson and Tasman through NRDA.
- 4 / Tell the stories of Marlborough film and the Marlborough film makers.
- 5 / Build a crew-list with all talent in Te Taihū/Top of the South Region.
- 6 / Engage with iwi and Department of Conservation (DOC) about significant and wāhi tapu/sacred sites and access for film making.
- 7 / Finalise 'Sawmill Collaborative Trust' and put trustees in place to drive the goals of the Trust.
- 8 / Produce a promotional campaign for Marlborough Sawmill Studios including tools such as a drone video/measurements of the site and a web-landing page.
- 9 / Investigate how to best work together with NRDA to establish a strong Te Taihū/Top of the South Screen Sector.
- 10 / Hosting NZ Film Commission, producers/directors, other film offices, location scouts.
- 11 / Talent development training, courses, workshops.
- 12 / Support the local film festivals.
- 13 / Update and refresh the website for Screen Marlborough.
- 14 / Ongoing updating of the location's library for Screen Marlborough.
- 15 / Develop a showreel for Marlborough to promote the region as a film region nationally.

- 16 / Investigate/install the FilmApp for smooth permitting processes.
- 17 / Negotiate with iwi and DOC about potential filming permits for wāhi tapu and significant sites.
- 18 / Develop programmes with the schools and NMIT for training/courses – in collaboration with NZFC.
- 19 / Support the development of strong Marlborough IP for films – i.e. writer's retreats.
- 20 / Help develop and support the idea of a Marlborough Wine & Film Festival.
- 21 / Help build the community of creatives by organising regular hui.
- 22 / Help support Marlborough films made by local talent.
- 23 / Make sure Marlborough is on the radar of Central Government agencies for budgets and support as a recognized screen and creative region.

***Relevant reports/materials**

Screen Hui Marlborough February 2021

Workshop Screen sector stickies 25 Sept. 2021

Feasibility Study EY – Sept 2021

NZ Infrastructure report NZTE

Film Strategy NZFC

Photo: Richard Briggs Photography, Marlborough Innovation Day



\$40.3M

GDP

439

JOBS

150

BUSINESSES

TECHNOLOGY & INNOVATION

BACKGROUND & CONTEXT

Marlborough has put itself on the map as an entrepreneurial and innovative region for due to its abundant resources for growing crops, both on the land and in the ocean.

This has resulted in a stronghold in leading industries such as viticulture, forestry, and aquaculture. These sectors have attracted a lot of international investment to the region and many of the large corporates in the world run well-established and successful businesses from Marlborough.

The region has seen many types of transformation in the landscape as well as in manufacturing and engineering sectors and has been leading the way to new and innovative products that have built the highly acclaimed Marlborough brand and are in high demand all around the world.

TECHNOLOGY & INNOVATION

CURRENT STATE OF AFFAIRS

Recent technologies have been transforming the world, disrupting jobs and industries at an ever-increasing speed for a few decades now. Silicon Valley has set the pace for all sorts of tech industries, exponential growth companies, start-ups, and investments in technology companies.

Innovation and technology are inter-connected. Innovation is enabled by technology platforms making it possible to improve productivity, sustainability and complex problem-solving.

Marlborough has always had smart technology and engineering businesses.

Currently there is a big opportunity for Marlborough's Agri-sectors to propel themselves into the future through the development and adoption of this next wave of technologies like robotics, artificial intelligence, geo-spatial and IoT/sensor-technology.

In the past 12 months there has been an increased activity in Marlborough's Agritech opportunities:

- > Oxin Smart Machines – automotive tractors have established a laboratory in Marlborough and attracted big investments from MPI's Sustainable Farming Fund and other investors. This company is currently at 16 employees, growing rapidly and collaborating with Pernod Ricard and other major players in the industry;
- > 'Cropsy' – an artificial intelligence solution for viticulturists to detect and scan for diseases in the vineyards and orchards. This company has just closed an investment round led by the Marlborough Angel Investors of \$1.7 million (oversubscribed) to fund their plans for growth and expansion;
- > 'Tatou' 'Mapping labour in the vineyards' is arguably Marlborough's first and most established technology company founded by Marlborough's largest vineyard contracting business, 'Hortus'.

Marlborough is already at the forefront of some of these technologies - sometimes exciting innovation has been happening behind closed doors. Large investments have also been made in the aquaculture industry towards product innovation and using artificial intelligence for harvesting mussels and developing and producing new products like nutraceuticals.

Other examples of Marlborough's exciting innovation are the development of new crops such as medicinal cannabis which enhance the demand for new and highly acquired skills in the Marlborough region.

OPPORTUNITIES

Marlborough has an exciting opportunity to create an eco-system where technology and innovation can thrive for the future of the region's successful Agri-sectors.

This means learning to adopt new ways of working, collaboration between scientists entrepreneurs, engineers, developers, and designers. This includes start-up weekends, design-sprints, innovation, and acceleration programmes, learning to fail fast and start again, and creating industry solutions that are investable and scale-able.

Marlborough can create the roadmap needed for such an eco-system as all elements needed for a healthy eco-system of technology start-ups is already available as follows:

- > Large corporates as testing grounds for start-ups and founders to collaborate with;
- > Science and research institutes;
- > Angel Investors Marlborough;
- > Leading Agri industries;
- > Entrepreneurial spirit;
- > Business support programmes and mentors.

Prior to the development of this strategy, the EDT had already started preparing for creating the opportunities to fully embrace a programme in the region to support and enhance this eco-system:

- > By building the community of innovative entrepreneurs through workshops & hui;
- > By building the collaboration and co-designing the vision and ideas with other stakeholders in the regional economy including:
 - Chamber of Commerce;
 - Business Trust Marlborough;
 - Angel Investors Marlborough;
 - Bragato Research Institute;
 - NZ Wine Centre.
- > Telling the stories of the Marlborough technology and innovation companies through the 'Innovation Nation' campaign with NZ Entrepreneur;
- > Successfully pitching for a budget in the MDC Long Term Plan to develop a 10-year plan to support technology and innovation in the region.

TECHNOLOGY & INNOVATION

RECOMMENDATIONS FOR THE MARLBOROUGH TECHNOLOGY & INNOVATION SECTOR

Actions & Programmes

These recommendations come from a series of workshops with founders/innovators on the following pillars: Space/infrastructure, Talent, Investment, Community, Storytelling.

- 1 / In partnership with industry sectors and Central Government, present the business case for a Tech & Innovation Lab in Blenheim to give start-ups, the innovation community, and activation-programmes a 'home'.
- 2 / Build the community through inspiring meetups and other activations.
- 3 / Financial support for start-ups through vouchers, grants, and business investment.
- 4 / Help build programmes to identify real-business problems to create solutions together.
- 5 / Attract technologists to Marlborough.
- 6 / Build coding and technology skills in Marlborough.
- 7 / Support entrepreneurs with mentors, mental health support and a place to build and meet, collaborate and support each other.
- 8 / Create a content strategy for a Marlborough Business and Innovation quarterly newsletter.
- 9 / Run a Marlborough Start-up weekend.
- 10 / Support the Coding Festival 'Empower' organized by the Chamber of Commerce.
- 11 / Hold Innovation Day Marlborough annually.
- 12 / Support the collaboration for Agritech by building the community regionally as well as nationally.
- 13 / Help create incubation programmes for Agritech solutions within the wider ecosystem.
- 14 / Tell the stories of Marlborough's exciting Agritech development through tech and innovation entrepreneurial channels, digital platforms, and social media.
- 15 / Participate in the national TechWeek programmes.
- 16 / Collaborate and potentially seek and help build platforms for partnerships between the start-up community, entrepreneurs, investors/Marlborough Angels and large corporates to create more start-ups in Marlborough.
- 10 / Support the Marlborough Regional Workforce Plan actions to enable training and equity in the workplace.
- 11 / Have a watching brief on emerging industries that can add value to the regional economy.

Supporting documents

Report Tech & Innovation Community
Workshops Nov '20 – March '21

Tech & Innovation Community workshop
19 Oct '21.



Photo: Jessica Jones and Hans Herzog

\$637M

GDP

2,908

JOBS

750

BUSINESSES

#1

REGION NATIONALLY
FOR BEVERAGE
MANUFACTURING

WINE INDUSTRY

BACKGROUND & CONTEXT

Marlborough is intrinsically linked to the wine industry and the wine industry to Marlborough.

Marlborough is known the world over for the joy in a glass that is Marlborough Sauvignon Blanc and that creates a very strong brand and meaningful connection to the land. One out of every five people work in the industry and the many supporting industries and the flow on effects are significant.

Wine's contribution to the Marlborough economy has grown by 300% since 2000 and is still growing. It is with this background that collaboration across all stakeholders is vitally

important. As with any major industry wine is a highly connected and important for our region. There are environmental impacts, housing impacts, skills gaps and labour shortages as the wine industry's rapid growth outpaces labour, water, roading and housing supply.

There is a strong connection and collaboration between wine and tourism and increasingly education, science and research centres, and technology companies and the wine industry.

Wine is and can be a key driver for economic wellbeing if Marlborough faces the challenges of the industry together.

WINE INDUSTRY

CURRENT STATE OF AFFAIRS

As with all industries, COVID-19 has caused significant disruption for wine. This is both external in terms of on-premises sales, with wine exports down 3% year on year, and internal in terms of labour and logistics issues. Fortunately, off-premises demand continues to grow, and pricing has remained stable. There have been significant efforts to deal with harvest safely however the pandemic has seen the cancellation of the iconic Marlborough Food and Wine Festival and restricted the ability of companies to visit their overseas markets.

The wine industry experiences significant seasonal peaks in labour demand in both viticulture (grape growing) and winemaking occupations. It relies on the RSE scheme to recruit workers for seasonal work when there are not enough New Zealand workers. In 2019 (pre-COVID) approximately 3,000 RSE workers were employed in the winter season and 1,000 in the summer season to supplement the local workforce and 'backpackers' on the Working Holiday Visa Scheme. Each vintage, when the grapes are harvested, approximately 1,000 vintage cellar hands join 600 local staff to make wine.

These numbers have been dramatically reduced causing significant challenges for the wine industry to perform necessary viticultural work on time. Not performing key tasks on time impacts on both the welfare of the workforce, potential income for the industry and ultimately could reduce the quantity and quality of Marlborough's premium wine production. This is important for innovation and automation as companies look to rely less on labour and more on machines to carry out manual tasks. This Agri-tech sector is and will be very important for Marlborough.

From engagement with industry and under the backdrop of labour, housing and COVID concerns are the underlying issues of climate change, the European carbon tax, biodiversity/security risk and consumers drinking trends.



WINE AND VITICULTURE

- > Marlborough is New Zealand's largest wine region by a significant margin. Driven by strong international demand for New Zealand's flagship wine category – Marlborough Sauvignon Blanc.
- > The wine industry contributes 20% to the Marlborough economy and creates 2,908 jobs (excluding seasonal workers).
- > 80% of New Zealand's export wines are grown in Marlborough.
- > The region is home to the Bragato Research Institute, a leader in research and sustainability programmes for the wine industry in New Zealand.

- > The wine industry for Marlborough has grown from roughly 120,000 tonnes to 343,000 tonnes in the past 15 years and has meant significant change for the region and its people. According to a wine industry growth forecast (2020) Marlborough's producing vineyard area has grown 24% between 2015 and 2020.
- > Total vineyard hectares planted for Marlborough is 28,995. By 2024/25 this could be up to an extra 5,150 hectares, totalling to 34,145 hectares.

The ability of growers to achieve their intended planting of 5,150 hectares by 2024/25 will depend on their ability to secure land, grapevine cuttings, labour, accommodation for the new workforce and the required consents. It is estimated that the growth in plantings will lead to a 17% increase in jobs for the industry overall.

WINE INDUSTRY

RECOMMENDATIONS FOR THE MARLBOROUGH WINE SECTOR

From workshops held to date, the key metrics that demonstrate economic wellbeing in the wine industry are:

- > Productivity;
- > Availability of workforce;
- > The price of a bottle of Marlborough wine.;
- > Carbon Emission.

There is further work required to ratify this and ensure all stakeholders agree.

Considering the 'Tupuna Pono' is 'To be Good Ancestors', there are several actions which can be taken to enhance the industry. As per the feedback from the industry, Central Government and industry bodies are in the best position to make this positive change.

Actions

- 1 / To continue to work with Wine Marlborough to develop a programme to measure the carbon cost of the industry to work on offsetting it.
- 2 / Work with the industry stakeholders on developing measures for the economic wellbeing of the industry.
- 3 / Work on the innovation startup ecosystem to look at technology to improve productivity.
- 4 / Encourage wine companies to be early adopters of technology to support a startup eco system including Startup Weekend and Innovation Day.
- 5 / Lobby Central Government to reward/incentivize companies for being early adopters of technology and taking the risks required to do this.
- 6 / Work with industry on the social license and telling the story of the importance of the industry for Marlborough.
- 7 / Investigate establishing a Smart + Connected programme for wine.
- 8 / Keep working on land availability for seasonal worker accommodation.
- 9 / Work with RSLG on improving the negative perceptions of the industry that need to be overcome to attract more locals by showing the local community the diversity of career opportunities in the wine industry and streamlining pathways for entry.
- 10 / Continue to develop a talent acquisition strategy for the region to help ease recruitment issues.
- 11 / Work with MDC, and Wine Marlborough to strengthen the region's position as the leading and strongest brand of the New Zealand wine industry with 'Marlborough Sauvignon Blanc' delivering prosperity and pride to the region.
- 12 / Work with NMIT/Bragato/MRC to encourage more collaboration with overseas wine and Agritech partners to support the transformation of valuable parts of the wine sector to a high-margin industry/low environmental impact service

of technology and consultancy.

- 13 / Support and encourage investment in waste management to transform unsustainable practices for the environment and waste to sustainable practices – become a circular industry and protector of natural resources.
- 14 / To attract investment and talent to Marlborough through housing and heritage so that Marlborough becomes the ‘HQ of the New Zealand wine industry’.
- 15 / Look at ways of using current rail and port infrastructure to lower the carbon cost of the delivery of wine to international markets.
- 17 / Help industry to create and offer ample, comfortable, and safe living conditions for industry workers.
- 19 / To increase the value of the Marlborough brand so all jobs in the industry can be at the living wage-level and above to help with the availability of the workforce.
- 20 / Link seafood and wine for more holistic story telling for the region. Aquaculture and wine make such a unique combo and make up 30% of Marlborough’s economy.
- 21 / Co-design an Energy and Waste Strategy for Marlborough to assist with the removal of fossil fuels, accelerate the electrification process and encourage the move to the circular economy.

Relevant reports/materials

Wine Workshop
Individual Meetings
Economic Wellbeing Survey
RSLG Report
Waste Management and Minimisation Plan 2021-27

