

Nelson Tasman Visitor Sector

Our Economy at a Glance

Unless otherwise stated, all figures throughout this document are from the Nelson-Tasman Regional Economic Briefing, the Nelson Tasman Productivity Gap and Infometrics.

Size of economy =

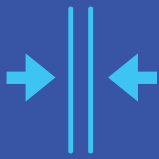
\$6,159m

GDP per filled job =

\$105,070

Productivity gap =

\$1.63bn



Closing the productivity gap =

123 years

at current trajectories



Population =

113,200



Mean earnings =

\$60,048



Proportion of small businesses (<20 employees) =

96.3%



Inward migration = positive net 300 people (plus 90 natural increase)



Intellectual Capital (Knowledge Intensive Employment) = 15,538 jobs = 26.5% of total jobs

Strong opportunity for growth:

Sectors with high regional competitive advantage



Blue Economy



Forestry



Horticulture



Science & Tech



Tourism

Nelson-Tasman Regional Economic Briefing February 2023 update, People and Places, February 2023

Nelson-Tasman Productivity Gap 2022 Supplementary Update, People and Places, February 2023

Nelson Tasman Regional Economic Profile, Infometrics, January 2023

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A note on Nelson Tasman

As a region, Nelson Tasman includes two unitary areas, whose economies are inherently connected and share many of the same aspirations. Areas like infrastructure provision, economic development, tourism and business confidence spans across both areas.

However, it is worth noting that there are some differences between the urban and rural communities.

NELSON OVERVIEW

Nelson is home to approximately 54,500 people, with a geographical area that includes Nelson City, Tāhunanui and Stoke. A small proportion of residents live in the surrounding rural areas.

Key stats:

GDP – \$3,234m

Business Units – 6,720

Average household income – \$92,433

Filled jobs – 30,886

TASMAN OVERVIEW

Tasman is home to approximately 58,700 people, with a urban and rural geographical area that includes Richmond, Motueka, Waimea, Golden Bay, Murchison and St Aurand.

Key stats:

GDP – \$2,925m

Business Units – 7,473

Average household income – \$101,596

Filled jobs – 27,732



Introduction

The Visitor Economy is a significant driver for Nelson Tasman

The Visitor Economy is a significant driver for Nelson Tasman, providing \$233 million of GDP in 2022, 4295 jobs and visitor spend of \$299 million. However the importance of the sector goes beyond direct economic contribution. The visitor sector supports events, the arts, hospitality, retail and outdoor experiences, and contributes to the vitality and vibrancy of Nelson Tasman. It also provides a shot front for the region, supporting the attraction of talent and investment, and showcasing regional products to broader audiences.

The outlook for the visitor economy has been especially impacted by the Covid-19 pandemic, and the sector is in recovery, with full return of visitors not expected by TECNZ until 2025/26. The closure of borders has also had an impact on the supply of workers, creating challenges for businesses to service the custom that they do have.

New Zealand's policy direction for climate change mitigation includes plans and strategies for reducing emissions within the visitor economy and Nelson Tasman is notably ahead of the rest of New Zealand in this regard: the Zero Carbon Itinerary was the first of its kind in the country and possibly the world; the region offers Light Footprint Journeys; and the Marahau Pledge is the latest in a series of local industry collaboration for shared successes.

The sector faces a variety of challenges beyond reduced visitor numbers and worker shortages, such as the Covid-related exhaustion of business reserves and confidence - which challenges capability and capacity for investment and product development.

Nevertheless, the region has many natural advantages that offer potential to increase prosperity and to contribute to improved wellbeing among our communities and our environment – for Nelson Tasman and for NZ Inc.



Regional Strategies and Documents

Nelson Tasman Regeneration Plan

The Nelson Tasman Regeneration Plan cites the Visitor Economy as one of our main economic drivers, noting that there are opportunities for the visitor economy to strengthen its linkages to other sectors and act as a 'shop front' promoting regional products, and as a conduit for work attraction and retention. The visitor sector supports events, the arts, hospitality, retail, and outdoor experiences, and contributes to the vitality and vibrancy of Nelson Tasman.

Nelson Tasman Destination Management Plan

The Nelson Tasman Destination Management Plan is a five year plan for the recovery and regeneration of our visitor sector. The Plan is delivering strategic visitor economy investment and positioning - supporting sector recovery from the effects of the Covid-19 pandemic while focusing on resilience and sustainable growth.

The plan includes initiatives for environmental stewardship, access, amenities and infrastructure, marketing and promotion and experience and product development. The plan was widely endorsed and identified actions have advanced with central government support for the first year, including industry investment in low carbon offerings. The focus is now on completing the prioritised actions utilising Year 1 funding and attracting further funding to support implementation.

Nelson Tasman Regional Economic Briefing

As cited in the Nelson Tasman Regional Economic Briefing, the regional Destination Management Plan is of regional and sectoral significance. New Zealand's first Zero Carbon Itinerary was launched here in 2021, and our visitor sector is investing heavily in building the 'green credentials' of our region. Further Government and private sector funding is sought to continue delivery as the sector itself re-builds and re-sets.

Nelson Tasman Regional Workforce Plan

The visitor sector is considered to be significant in terms of future workforce needs and the upcoming 2023 Regional Workforce Plan (under development by the Regional Skills Leadership Group at time of writing) takes the visitor sector as one of two focus areas for 2023, alongside Forestry and Wood Processing. Some statistics for future workforce are given in Appendix A.

Size and Shape of the Visitor Economy

The Visitor Economy in Nelson Tasman has the advantage of the complementary attractions of a vibrant boutique city full of cultural offerings along with the abundance of outdoor activities and experiences afforded by three national parks with widely varying topography and ecosystems.

The Visitor Economy is made up of proportions of a number of individual industries, from food and beverage services and accommodation providers to experience operators, museums and transport. The sector is in recovery from the impacts of the Covid-19 pandemic, but collectively the Visitor Economy contributed \$233m of GDP in 2022, which was 3.8% of total GDP – a larger share than average New Zealand at 2.8%.

The sector provided 4,295 jobs in Nelson Tasman in 2022, 7.3% of total jobs and again this is higher than the New Zealand average of 5.4%.

For the year to November 2022. International visitor spend in Nelson Tasman was at 41% of pre-Covid levels and TECNZ does not expect a full return for total New Zealand until 2025/26. Domestic spend was high for the year, reaching 21% above pre-Covid levels.

The pandemic has caused significant challenges for many visitor sector operators in Nelson-Tasman, and 2023 will be a telling year as overseas visitors continue to return but domestic visitation and local patronage may be impacted by the widely-signalled economic downturn.

Measure	Value
GDP	\$233m
Employment	4,295
Visitor spend (year to November 2022)	
Domestic	\$260.5m
International	\$30.3m
Total	\$290.8m
Businesses by Main Industry	
Accommodation and Food Services	702
Arts and Recreation Services	282
Non-Road Transport	72



Key Players

Visitor Sector Partnership Programme

The Visitor Sector Promotion Programme is a collaborative network of businesses which promotes Nelson Tasman businesses around the world.

The aim is to create a strong community of businesses that provide space for collaboration and business opportunities, with a range of local forums and workshops.

Through an extensive network of domestic and international contacts selling and visiting the region, the programme puts business in front of the right channels with a year-round online presence and relevant media profiling opportunities as they arise.

The programme provides input into plans for Nelson Tasman's visitor sector strategies.

Nelson Tasman Visitor sector businesses

include:

- Wilsons Abel Tasman
- Farewell Spit Tours
- AbelTasman.com
- Cable Adventure Park
- Abel Tasman Kayaks
- Kaiteriteri Recreation Reserve
- Rutherford Hotel Nelson
- Kiwi Journeys
- Abel Tasman Sailing Adventures
- Abel Tasman Sea Shuttles and Kaiteriteri Kayaks
- Maruia River Retreat
- Pic's Peanut Butter
- Wine Nelson
- Nelson Tasman Cycle Trails Trust
- Interislander

Other organisations include:

- Tasman Bay Promotions
- Golden Bay Promotions
- Uniquely Nelson
- Port Nelson
- Nelson Airport

Industry Challenges

The twin challenges of reduced visitor numbers and worker shortages that eventuated as a result of the Covid-19 pandemic are well documented and apply across the whole of New Zealand.

In Nelson Tasman, the Destination Management Plan undertook substantial consultation with regional operators and this revealed further issues:

- Environmental access fees / DOC concession fees
- Social licence challenges
- Central government funding for Destination Management Plan implementation ceases at the end of FY23.
- Loss of some premium accommodation for high-end visitation , plus demand exceeding supply across motels and backpackers with many rooms now in emergency housing
- Collapse of the national i-SITE model impacting visitor information services
- Inter-industry capacity constraints such as a lack of accommodation at key locations on the Great Taste Trail, and closures of cafes and food outlets during peak season
- Rapidly increasing costs of carbon credits impacting affordability for many of the region's Carbon Zero businesses plus feeling that certification whilst a good indicator of sustainability, it is just one measure of all the good work being done, and there are other ways to be sustainable in one's business
- Tourism business reluctance to pay trade commissions after dealing with the domestic market and possibly changing prices to attract domestic visitors (at lower rates)
- Competing destinations, especially international destinations (with bigger budgets) crowding media channels

Opportunities are highlighted in the next section, Future Direction.

Future Direction and Opportunities

The Tourism Industry Transformation Plan is not a single document as with some other ITPs. Instead it draws on a number of other pieces of work and addresses the issues in phases:

The Tourism Futures Taskforce interim report – We are Aotearoa focuses on developing a regenerative and resilient future visitor economy that supports the Four Wellbeings – social, cultural, environmental and economic – embodying the values of Te Ao Māori.

Focus points are prosperity, improved opportunities for New Zealanders, decarbonisation, biodiversity improvement, increasing recognition of diverse and multicultural components of New Zealand.

Tourism 2025 & Beyond – Tourism Industry Aotearoa has four goals: outstanding visitor experiences, New Zealanders perceived as welcoming hosts, Aotearoa is enhanced by tourism, and growing tourism contribution to the economy.

Key initiatives include embedding sustainability, investing in infrastructure and amenities, measuring and managing industry carbon use, and fostering domestic tourism.

Tourism Industry Transformation Plan: Te Taiao / The Environment phase – Scope is the second phase of the ITP and it focuses on actions required to deliver systemic change. It has three pillars of climate change adaptation, climate change mitigation, and fostering positive ecological outcomes such as biodiversity and ecosystem restoration.

The New Zealand Aotearoa Government Tourism Strategy aims to develop a more integrated and coordinated approach to realising the opportunities presented by tourism. It notes the need to “strengthen stewardship of the tourism system and work more actively with iwi, hapū and tangata whenua, local government, industry, businesses, regions and communities to shape future growth, manage its impact and better coordinate investments”.

The Strategy aims to deliver productivity improvement, protection of our heritage, exceptional visitor experiences, improved benefits to local communities, and tourism contributions to thriving and sustainable regions.

Top priorities are coordination across the tourism system, long term sustainable funding mechanisms, destination management and planning, and better data and insight.

The draft Better Work Action Plan is the first phase of the ITP itself. It focuses specifically on engendering long term permanent careers in tourism by improving the environment for, and supply of, tourism workers. This encompasses worker treatment by employers, increased use of labour-saving technology, productivity improvement, cultural competence, skills development and retention, collaboration within and between industries to smooth peaks and troughs of demand, worker attraction, and diversity – including older workers, those with disabilities, and those needing flexible working.



Appendices

Appendix A; Future Workforce

Between 2021 and 2040, the overall working-age population in Nelson Tasman is forecast to decline by approximately 13,500 individuals, while the Māori working-age population is forecast to increase by more than 2,000 individuals.

Ministry of Education figures for educational attainment in 2021 are as follows:

Education level	Nelson	Tasman	Total NZ
Starting school having attended ECE	99.6	97.7	96.8
NCEA Level 1 or above	90.2	87.5	87.3
NCEA Level 2 or above	80.2	77.4	78.7
NCEA Level 3 or higher	56.7	43.0	55.8
School leavers retained until at least age 17	81.9	77.4	81.4
School leavers enrolled in tertiary within 1 year of leaving	67.3	60.9	64.8

For the year to March 2022, the NEET rate (the percentage of potential employees aged 15-24 who are not in employment, education or training) in the region was 11.4% compared to 11.7% for average NZ.

Reference Documents

- Te Taihū Intergenerational Strategy
- Nelson Tasman Regeneration Plan 2021-2031
- NRDA Statement of Intent 2021-2024
- Nelson Tasman Destination Management Plan 2021-2026
- Nelson Tasman Regional Economic Briefing, March 2022
- Tourism Futures Taskforce interim report
- Tourism 2025 & beyond - Tourism Industry Aotearoa
- New Zealand Aotearoa Government Tourism Strategy
- Draft Better Work Action Plan
- Tourism Industry Transformation Plan
- Infometrics Te Matapae report
- Education Counts
- Infometrics Regional Economic Profile for Nelson Tasman, January 2023

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