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People & Places

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# Nelson-Tasman Regional Economic Update 2025



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Agency

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## 2. Report Overview

This economic update has been prepared for Nelson Regional Development Agency (NRDA). The focus of the briefing is on the 2025 calendar year.

The purpose is to provide an overview of the current state of the local economy and identify economic development challenges and opportunities.

The December 2025 Quarterly Economic Monitor from Infometrics confirmed that Nelson-Tasman's economy continued the turn we began to see first emerging towards the end of winter 2025. Provisional GDP shows the regional economy expanded 1.1%pa over the 2025 calendar year, including a strong 2.5%pa lift in the December quarter alone.

This return to growth in 2025 was welcomed after the Nelson-Tasman economy endured recessionary conditions in 2024, with the 2024 calendar year seeing GDP in Nelson-Tasman contract by 0.5%pa.

### 2.1. The overarching context to economic development

Below are some of the key attributes of Nelson-Tasman's economy and people:

- Nelson-Tasman's economy generated about **\$7.6 billion of GDP** in 2025 and supported around **59,000 filled jobs**, with the economy returning to growth after recessionary conditions in 2024.
- Over the past decade the economy has grown **broadly in line with national trends**, although productivity and household incomes remain below the New Zealand average.
- **Health care and social assistance overtook manufacturing and agriculture, forestry, and fishing** in 2025 to become the region's largest employing industry, reflecting an ageing population.
- Manufacturing and agriculture, forestry, and fishing remain the region's two largest export-focused industries. But recent closures of some manufacturing facilities highlight there are challenges for these important sectors operating, especially when it comes to energy costs, logistics, and ensuring businesses can grow large enough to benefit from economies of scale.
- Nelson-Tasman **exports total over \$2.1 billion**, with just over **three quarters goods** and the rest from services. Goods exports are **driven by food and beverage** (including blue economy, horticulture, and agriculture) **and forestry**, while service exports are visitor economy driven.
- Nelson-Tasman hosts significantly **more visitors per resident than the national average**. Domestic travel has been subdued in recent years due to New Zealand's weaker economy, although 2025 was stronger for operators focused on international visitors.
- **Nelson, Richmond, and Motueka** remain the region's **key employment hubs**, although population and employment growth have been strongest in Richmond and surrounding areas.
- Nelson-Tasman's population grew from about 101,200 in 2015 to around 114,200 in 2025, but growth has slowed and for the past three years has relied exclusively on the ability of the region to attract migrants as **deaths exceed births due to an ageing population**.

## 2.2. Challenges for the road ahead

Challenges in Nelson-Tasman's economic context include:

- **Infrastructure resilience**, highlighted by severe weather events such as the 2025 floods that disrupted transport networks, productive land, and economic activity.
- **Lower productivity** than the national average, with GDP per job about 18% below New Zealand levels, contributing to lower household incomes.
- **Workforce constraints** driven by demographic change, with nearly one in four residents aged over 65 and a relatively small youth cohort.
- **Reliance on migration** for population and workforce growth, as natural population growth has turned negative.
- **Housing affordability** pressures, with house prices remaining high relative to local incomes despite easing from peak levels.
- **Population dispersal across the region**, particularly growth outside Nelson City, increasing pressure on infrastructure, services, and transport connections.
- **Seasonality in key industries** such as horticulture and tourism, which can create workforce shortages during peak periods.
- **Youth retention challenges**, with many young people leaving the region for tertiary education and employment opportunities elsewhere.
- **A highly fragmented business base**, with most firms employing fewer than ten people, which can limit capacity to invest in innovation, productivity improvements, or technology adoption.

## 2.3. Key economic development opportunities

The context and challenges provide a platform to identify opportunities. Realising these opportunities will require advocacy, investment, and delivery by different partners.

At a foundational level, economic development activities must focus on:

- **Raising the productivity bar** – Productivity in Nelson-Tasman is 18% below the national average. Closing this gap will require sustained investment and innovation by businesses, supported by long-term investment in infrastructure and enabling services. Nevertheless, there has been some reassuring progress in closing the gap, with the productivity gap having reduced from 21% to 18% within the past 10 years. However, author calculations suggest that productivity growth would still need to double from current trends to close the gap by 2050.
- **Enabling infrastructure and services** – Realising potential requires high-quality infrastructure and services, including transport, digital connectivity, health, and education. Infrastructure must support a growing and more dispersed population and be resilient to extreme weather. Population growth beyond Nelson into smaller towns and rural areas will change how people access jobs and services, creating opportunities to align investment with these changes.

An ambitious goal for Nelson-Tasman’s economy would be to **double export earnings from just over \$2 billion to more than \$4 billion (in real terms) by 2050**. Achieving this will require lifting productivity and developing higher-value products and new market opportunities within key industries.

Key competitive strengths offering economic development opportunities include<sup>1</sup>:

- **Blue economy** – With around **one third of New Zealand’s fishing and aquaculture employment** based in Nelson-Tasman, the region is well placed to support national aquaculture growth. The Moananui blue economy cluster supports collaboration across marine industries.
- **Food and beverage and wellness products** – A diverse sector spanning the value chain from **paddock, orchard, and ocean to plate**, supporting around **one in five regional jobs**.
- **Visitor economy** – Nelson-Tasman hosts **48% more visitors per resident than the national average**. Tourism supports multiple sectors and acts as a ‘shop front’ for the region, linking visitors with local products and investment opportunities.
- **Forestry and wood product manufacturing** – Around **5% of New Zealand’s plantation forests** are located in Nelson-Tasman. The region has the country’s **highest concentration of specialist wood processing**, particularly laminated and structural products, with opportunities linked to sustainable construction.
- **Embracing te ao Māori** – Opportunities exist to further embed Māori perspectives in the regional economy. The **eight iwi of Te Taihū**, with a combined asset base exceeding **\$1 billion**, are important investors and partners in regional development.
- **Lifestyle** – Nelson-Tasman’s lifestyle continues to attract migrants, entrepreneurs, and remote workers. Maintaining this advantage will require strong liveability, infrastructure, and flexible employment opportunities.
- **Health care and social assistance** – With **24% of the population** aged 65 or older, demand for health and care services will continue to grow, creating opportunities linked to the expanding ‘silver economy’ and as a test bed for innovation in care models and health technologies.

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<sup>1</sup> These have been informed by previous analysis into Nelson-Tasman’s industry advantages using location quotient analysis. See: Benje Patterson (2021), Top of South Island - Identifying competitive advantages using location quotient analysis.

### 3. Current context: Nelson-Tasman’s economy & people

This section considers the economic, employment, and demographic context for Nelson-Tasman. The data highlights that the region has grown considerably over the past decade, with growth having been particularly strong in Richmond and Motueka.

#### 3.4. Economic and employment overview

Nelson-Tasman’s economy generated GDP of about \$7.6 billion in the 2025 calendar year and had 59,004 filled jobs, with evidence emerging that the local economy turned a corner after having struggled during 2024.

Figure 1



The December 2025 Quarterly Economic Monitor from Infometrics confirmed that Nelson-Tasman’s economy continued the turn we began to see first emerging towards the end of winter 2025. Provisional GDP shows the regional economy expanded 1.1%pa over the 2025 calendar year, including a strong 2.5%pa lift in the December quarter alone.

This return to growth in 2025 was welcomed after the Nelson-Tasman economy endured recessionary conditions in 2024, with the 2024 calendar year seeing GDP in Nelson-Tasman contract by 0.5%pa. That recession had been largely caused by a reluctance among consumers to spend. Key contributors to weaker consumer spending in 2024 included broader macroeconomic factors, such as relatively high mortgage rates and concerns about the deteriorating New Zealand labour market.

A key stabiliser throughout the past couple of years has been the primary sector and this strong performance is continuing. The dairy payout for the season that started in spring 2025 is expected to reach \$172 million in Nelson Tasman, up from around \$130 million last season. Horticultural prices remain strong, which will help to offset the effects of damage to crops from flood damage last winter.

Looking through the recent events of the current business cycle, long-term economic and employment growth has generally been strong over the past decade (averaging 2.1%pa and 1.2%pa growth respectively).

**Table 1 – Nelson-Tasman’s economic performance, 2024 level and average annual growth 2014-2024**

<b>Nelson-Tasman's economic performance</b>				
<i>Estimated from Infometrics (Regional Economic Profile &amp; Quarterly Economic Monitor) &amp; Statistics NZ data</i>				
	<b>Level (2025 calendar year)</b>		<b>Long-term growth (2015-2025), average per annum</b>	
	Nelson-Tasman	New Zealand	Nelson-Tasman	New Zealand
GDP (2025 pricing, \$ million)	\$7,592m	\$433,761m	2.1%	2.2%
Employment (filled jobs)	59,004	2,747,687	1.2%	1.6%
Productivity (GDP/job)	\$128,670	\$157,864	0.9%	0.6%
Mean household income (March year)	\$103,867	\$135,266	4.0%	4.1%

Growth rates for most high-level indicators of economic performance in Nelson-Tasman has been close to the national average over the past decade, but productivity and average household incomes remain below the rest of New Zealand.

A sustained, long-term focus on investment and innovation will be necessary to lift productivity and create more opportunities for better paid employment. Productivity would need to grow at twice its long-term average rate to close the productivity gap with the rest of New Zealand by 2050.

### 3.4.1. Contributions of industries

Health care and social assistance leapfrogged manufacturing and agriculture, forestry, and fishing in 2025 to become Nelson-Tasman’s largest employing industry. The sharp growth that has been seen in the health care and social assistance sector over recent years can be attributed to a significant ageing of the region’s population.

**Figure 2**



**Table 2** – Employment in Nelson-Tasman by industry

<b>Employment in Nelson-Tasman by industry (2025 calendar year)</b>			
<i>Estimated from Infometrics &amp; Statistics NZ data, ANZSIC Level 1 industries</i>			
	Employment level	Share of employment	
	Nelson-Tasman	Nelson-Tasman	New Zealand
Health Care and Social Assistance	6,717	11.4%	10.9%
Manufacturing	6,266	10.6%	9.1%
Agriculture, Forestry and Fishing	6,042	10.2%	5.1%
Construction	5,917	10.0%	10.1%
Retail Trade	5,735	9.7%	8.6%
Professional, Scientific and Technical Services	4,472	7.6%	9.1%
Accommodation and Food Services	4,231	7.2%	6.3%
Education and Training	4,074	6.9%	7.9%
Administrative and Support Services	2,539	4.3%	4.1%
Transport, Postal and Warehousing	2,518	4.3%	4.6%
Other Services	2,396	4.1%	3.9%
Wholesale Trade	2,125	3.6%	4.6%
Public Administration and Safety	1,965	3.3%	6.0%
Rental, Hiring and Real Estate Services	1,303	2.2%	2.3%
Arts and Recreation Services	1,174	2.0%	2.0%
Financial and Insurance Services	679	1.2%	2.9%
Information Media and Telecommunications	477	0.8%	1.5%
Electricity, Gas, Water and Waste Services	326	0.6%	0.8%
Mining	45	0.1%	0.2%
<b>Total</b>	<b>59,004</b>	<b>100.0%</b>	<b>100.0%</b>

Nelson-Tasman’s manufacturing, and agriculture, forestry, and fishing remain the region’s two largest export-focused industries. These two industries are intertwined and within them there are three key production and processing focusses – the blue economy, horticulture, and forestry, all of which Nelson-Tasman has a high concentration of resources and a competitive advantage compared to the rest of New Zealand<sup>2</sup>.

The blue economy, horticulture, and forestry are well-aligned to longer-term structural shifts in global demand towards using food, beverage, and fibre products which can be produced with relatively more sustainable environmental footprints and can support better health outcomes. Nevertheless, recent closures of some manufacturing facilities have highlighted that there are still challenges for these important sectors operating from Nelson-Tasman, especially when it comes to energy costs, logistics, and ensuring businesses can grow large enough to benefit from economies of scale.

<sup>2</sup> For example, see: Benje Patterson (2021), Top of the South Island – Identifying competitive advantages using location quotient analysis. Available here: <https://backend.nelsontasman.nz/assets/DMSDocuments/Top-of-South-Island-location-quotient-analysis-of-sectors-of-competitive-advantage.pdf>

Other key industries of employment in Nelson-Tasman include: construction, retail, professional services, accommodation and food services, and education. Many of these industries are key enablers that can improve the attractiveness of the region from a business and liveability perspective, while also supporting Nelson-Tasman’s tourism and wellness industries. There are also smaller industries, such as the arts and recreation sector, which include a range of creative industries and recreational activities, that also add to the region’s appeal to visitors and residents alike.

It is worth noting that Nelson-Tasman’s large and flourishing food and beverage sector has value chains that span a broad cross-section of industries, including production (including within the horticulture and blue economy) right through to processing, as well as serving local cuisine in hospitality establishments.

### 3.4.2. Exports from Nelson-Tasman

Nelson-Tasman’s key industries are heavily engaged in exporting. In 2024<sup>3</sup>, it was estimated that the total value of Nelson-Tasman’s international goods and service exports was \$2.1 billion.

Figure 3



Export earnings by Nelson-Tasman businesses have risen 57% over the past decade (from \$1.4 billion in 2014), at an average annual rate of 4.6%pa. This growth is just above the 3.9%pa growth rate experienced nationally for goods and services exports.

Table 3

Nelson-Tasman's export earnings				
Source: Infometrics Regional Economic Profile, March year				
	Level (2024)		Long-term growth (2014-2024), average per annum	
	Nelson-Tasman	New Zealand	Nelson-Tasman	New Zealand
Goods exports	\$1,650m	\$68,372m	4.9%	3.2%
Service exports	\$484m	\$26,656m	3.8%	5.8%
<b>Total exports (\$ million)</b>	<b>\$2,134m</b>	<b>\$95,028m</b>	<b>4.6%</b>	<b>3.9%</b>

<sup>3</sup> At the time of publishing, a 2025 figure was not yet available.

About 77% (\$1.65 billion) of exports in 2024 were goods, while the remaining 23% (\$484 million) were services. Goods exports are primarily driven by the food and beverage (which include a mix of blue economy, horticultural, and other agricultural goods) and forestry sectors. Service exports are largely determined by the visitor economy (see next section), although there are some professional, technology, education, financial service exports.

Developing exports is crucial for lifting productivity outcomes in Nelson-Tasman. Research published by the former Productivity Commission showed that frontier firms (the top 10% most productive businesses in New Zealand) are much more likely to be internationally focussed. Frontier firms on average had a 30% higher proportion of revenue earned from export sales and were twice as likely to have foreign investment in them<sup>4</sup>.

An ambitious future vision of doubling Nelson-Tasman's exports to exceed \$4 billion by 2050 (in inflation-adjusted terms) is achievable if the current long term exports growth rate of 4.6%pa (2.6% real growth after accounting for 2%pa inflation) is sustained.

Research<sup>5</sup> has highlighted that much of this growth in exports could be driven by investing in the right enablers to lift productivity outcomes within key industries of competitive advantage (such as the blue economy, forestry, food and beverage and wellness products, and tourism), while this can also be complemented by going after new market opportunities that have been identified (especially in the blue economy).

### 3.4.3. Visitor economy

Visitor spending filters into a range of industries as visitors travel around, stay, shop, eat and do activities. Many of Nelson-Tasman's attributes that appeal to visitors also appeal to locals, including natural beauty, a variety of outdoor pursuits, and the ability to sample fine local cuisine. The visitor economy can also create longer-term connections for Nelson-Tasman businesses that can persist long after the visitor returns home. For example, a visitor may look to nostalgically recreate memories from their holiday by continuing to buy Nelson-Tasman products from their local supermarket back at home.

**Table 4** – Nelson-Tasman's tourism performance December 2025 level & relative to pre-covid (2019) level

<b>Nelson-Tasman's tourism performance</b>				
<i>Calculated with Infometrics Quarterly Monitor, Stats NZ population + MBIE Accommodation Data</i>				
	<b>Level (2025 calendar year)</b>		<b>% change since pre-covid level (2019)</b>	
	Nelson-Tasman	New Zealand	Nelson-Tasman	New Zealand
Total visitor spend (\$m)	\$738m	\$31,447m	0.3%	3.2%
Total guest nights	1,265,100	39,809,100	-15.2%	-1.8%
Daily guest nights per 1,000 residents	30.4	20.5		

A total of \$738 million was spent by visitors to Nelson-Tasman in the December 2025 year. Although at face value spending is on par with its pre-covid level, after accounting for inflation it remains 21% below its 2019 level in real inflation-adjusted terms. This interpretation is consistent with guest nights data that shows guest nights in Nelson-Tasman are still 15% below their 2019 level.

<sup>4</sup> Calculations from New Zealand Productivity Commission (2021). New Zealand firms: Reaching for the frontier. Final Report.

<sup>5</sup> Source: Benje Patterson (2025), unpublished memo: An ambitious export growth target for Nelson-Tasman

Nelson-Tasman’s visitor economy is heavily orientated towards domestic tourism, with domestic guest nights accounting for 75% of total guest nights, compared to a 64% share across New Zealand.

Domestic travel has been subdued over the past couple of years owing to New Zealand’s relatively weak economy weighing on domestic demand. But for tourism operators who are more orientated towards international travellers, 2025 was a better year. For example, the December 2025 quarter showed very strong growth in international guest nights, which climbed 8.3%pa. Looking ahead, international tourism’s recovery is likely to continue strongly in early 2026 data releases. Christchurch Airport recorded a record summer of international arrivals, with January international arrivals reaching 102% of pre-Covid levels. International visitors who arrive in the South Island typically stay longer and travel more extensively through regions such as Tasman, which positions the region well to benefit from this rebound.

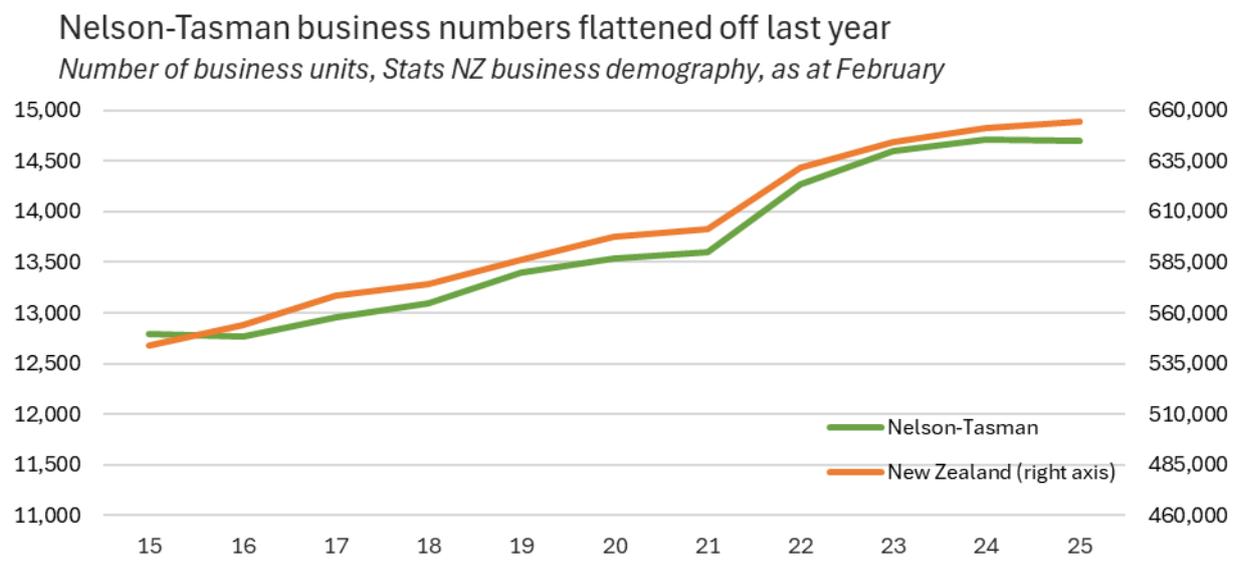
Tourism’s contribution to Nelson-Tasman’s economy is large compared to the rest of New Zealand. Nelson-Tasman on average has 48% more visitors in accommodation each night (relative to the size of the region’s population) than the New Zealand average (30.4 guests per 1,000 local residents versus 20.5 guests per 1,000 residents nationally).

### 3.5. Entrepreneurship in Nelson-Tasman

Entrepreneurship and self-employment play important roles in the labour market. New businesses are started by people who see a gap and go after it. The total number of businesses across Nelson-Tasman as at February 2025 was 14,709, which was largely unchanged (0.0%pa growth) over the past year, which was consistent with slower growth in business starts seen nationally as business profit margins remained squeezed.

Over the past 10 years, business numbers in Nelson-Tasman have expanded by 15%, rising from 12,786 in 2015 to 14,703 in 2025.

Figure 4 – Business numbers in Nelson-Tasman



Most of Nelson-Tasman’s businesses are small, with 92% employing less than 10 people, 7.0% employing between 10 and 49 people, and just 1.1% having more than 50 employees.

Figure 5



The role of entrepreneurship is also evident in self-employment statistics. It is estimated that there were 9,824 self-employed people in Nelson-Tasman in the 2025 calendar year, which represented 16.6% of employment. This rate of self-employment is higher than the national rate of self-employment (15.2%).

Self-employment is predominantly concentrated in construction and professional services, as well as in agriculture. The large number of self-employed people in professional services is consistent with Nelson-Tasman’s strong lifestyle attraction and ability of many professionals to work remotely from clients.

### 3.5.1. Māori entrepreneurship and economy

Māori entrepreneurship is a key component of Nelson-Tasman’s business landscape. Data from Te Puni Kōkiri (TPK) found there were 915 Māori-owned businesses across the Te Taihū rohe in 2023 (570 in Nelson-Tasman and 345 in neighbouring Marlborough). This estimate is higher than the 780 Māori-owned businesses across the Te Taihū rohe in 2021 (480 in Nelson-Tasman and 300 in Marlborough).

Figure 6



In addition to these Māori-owned businesses, Census 2023 data highlighted that there were 975 self-employed Māori in Te Taihū, with 612 of these self-employed people in Nelson-Tasman and 363 in Marlborough.

The eight iwi of Te Taihū are key investors in the region, and have grown their post-settlement net asset bases to over \$1 billion. Much of this capital is invested locally into projects which enhance the region's economic, cultural, and environmental wellbeing. The iwi also have a demonstrated track record of collaboration, which is exemplified by their creation of the Te Kotahi o Te Taihū Charitable Trust in 2021.

In December 2025, an historic resolution agreement with the Crown that resolves the outstanding Nelson Tenth's litigation was signed. The agreement results in approximately 7,583 acres of land across Nelson, Tasman and Golden Bay being restored to Te Here-ā-Nuku Trust, and \$420 million paid in compensation.

Infometrics estimates show that employment of people identifying as being Māori has risen from 4,653 filled jobs in 2015 to 6,308 filled jobs in 2025 (March year) at an average annual growth rate of 3.1%pa. This growth in Māori employment exceeds the 1.2%pa growth rate for employment across the Nelson-Tasman economy.

### 3.6. Location of economic activity

The analysis to date has considered Nelson-Tasman's economy at a regional level, but it is also interesting to explore which places in Nelson-Tasman the activity is concentrated in.

Nelson-Tasman's three main urban areas of Nelson, Richmond, and Motueka are the region's key employment hubs. These main urban areas had 79% of regional employment (46,445 jobs) in 2025.

**Table 5 – GDP and employment across different parts of Nelson-Tasman, 2025 level and 2015-25 growth**

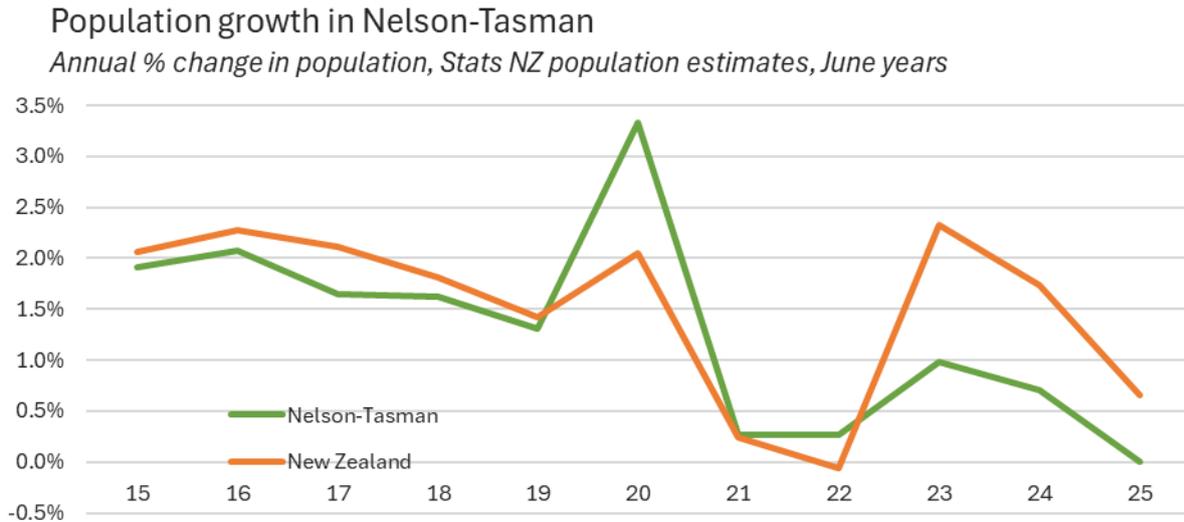
<b>Economic activity and employment across different parts of Nelson-Tasman</b>						
<i>Estimated from Infometrics (Regional Economic Profile &amp; Quarterly Economic Monitor) &amp; Statistics NZ data</i>						
	<b>Level (2025 calendar year)</b>			<b>Average annual growth (2015-25, %pa)</b>		
	GDP (\$m)	Jobs	Productivity (GDP/job)	GDP	Jobs	Productivity
Nelson	\$3,984m	31,223	\$127,598	1.1%	0.4%	0.8%
Richmond	\$1,344m	10,545	\$127,451	4.2%	3.2%	1.0%
Motueka	\$573m	4,677	\$122,442	2.1%	1.5%	0.6%
<i>Main urban total</i>	<i>\$5,901m</i>	<i>46,445</i>	<i>\$127,045</i>	<i>1.9%</i>	<i>1.0%</i>	<i>0.8%</i>
<i>Other (rural) total</i>	<i>\$1,691m</i>	<i>12,559</i>	<i>\$134,677</i>	<i>3.1%</i>	<i>1.9%</i>	<i>1.2%</i>
<b>Nelson-Tasman</b>	<b>\$7,592m</b>	<b>59,004</b>	<b>\$128,670</b>	<b>2.1%</b>	<b>1.2%</b>	<b>0.9%</b>
New Zealand	\$433,761m	2,747,687	\$157,864	2.2%	1.6%	0.6%

Employment growth has varied across the three main urban areas, with job growth over the past decade particularly rapid in Richmond (3.2%pa), followed by Motueka (1.5%pa), followed by 0.5%pa in Nelson City. Job numbers in other (mainly rural) areas grew by 1.9%pa over the same period.

### 3.7. Population overview

Nelson-Tasman’s population increased from 101,200 in 2015 to 114,200 in 2025, at an average annual growth rate of 1.2%pa. But scratching beneath the surface shows that while growth exceeded the national average from 2020 to 2022, population growth in Nelson-Tasman has slowed dramatically since then and the region’s population was unchanged in 2025.

**Figure 7 – Nelson-Tasman’s population growth over past decade**



Population growth in Nelson-Tasman is now exclusively reliant on migration from other parts of New Zealand and overseas. Natural increase (births minus deaths) has been negative for the past three years (2023, 2024, and 2025), due to the region’s aging demographic.

This demographic tipping point where deaths outweigh births is a key challenge for employers in the region looking for staff, though there are also opportunities for businesses servicing the ‘silver economy’ associated with older demographics – as is evident by the rapid growth in health care and social assistance employment over recent years to become the region’s biggest employing industry.

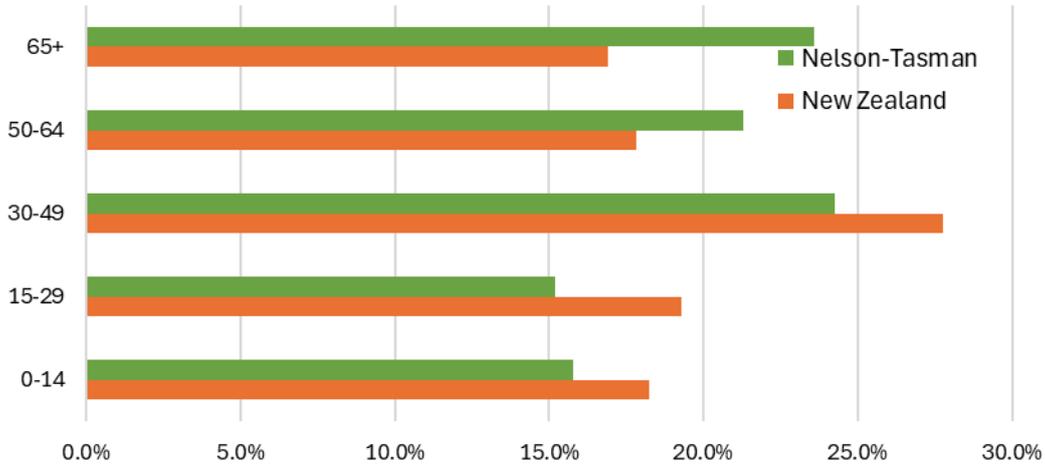
#### 3.7.1. Nelson-Tasman’s demographics

Nelson-Tasman has more people in the later stages of their working life, and retirees, than other parts of New Zealand. The region’s youth and post-secondary school population is smaller than elsewhere.

Figure 8 – Nelson-Tasman’s population demographics

**Nelson-Tasman's population is older**

*Statistics NZ 2025 population estimates split into age groups*



Almost one in four (24%) of Nelson-Tasman’s population is aged over 65, compared to one in six (17%) elsewhere. Ten years ago, in 2015, just 19% of Nelson-Tasman’s population was aged over 65.

Nelson-Tasman’s population continues to become more multicultural. Although the share of the population identifying as European (87%) in 2023 Population Census remained high, it has fallen from an 89% share at the 2018 Census. By comparison, those identifying as having an Asian ethnicity rose from 5.1% in 2018 to 6.3% by 2023. Nelson-Tasman’s Māori and Pasifika population shares rose to 10.4% and 3.6% respectively, from 9.4% and 2.6% respectively in 2018.

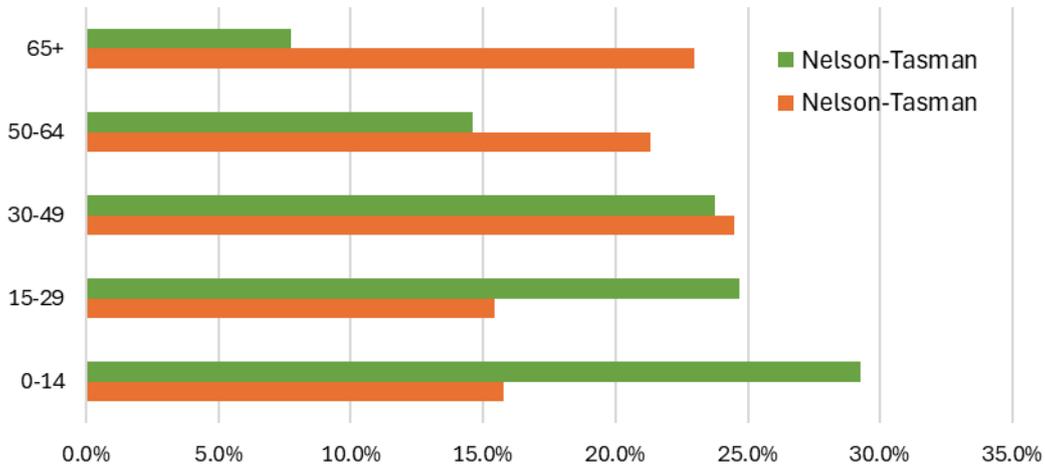
3.7.2. Māori population is younger

Nelson-Tasman’s Māori population is younger than the rest of the population.

Figure 9 – Nelson-Tasman’s Māori population demographics

**Māori population is younger than rest of population**

*Stats NZ & Infometrics 2025 pop. estimates split into age groups*



Estimates for 2025 showed 29% of Nelson-Tasman Māori were aged under 15 years, with 25% aged 15 to 29. By comparison, these proportions were 16% and 15% across the region’s entire population.

This younger Māori demographic provides a key workforce opportunity for the region, which could help to offset a looming increase in retirements among other ethnicities with an older demographic. Only 7.8% of Māori are aged 65 or older, compared to 23% across the entire population. Section 3.5.1 highlighted Māori are already experiencing faster employment growth than the rest of the population.

### 3.7.3. Population growth has been fastest in Richmond

Nelson-Tasman’s population continues to spread out, with 71% of population growth having occurred outside of Nelson City over the past decade.

**Table 6 – Population across different parts of Nelson-Tasman, 2024 level and 2014-2024 growth**

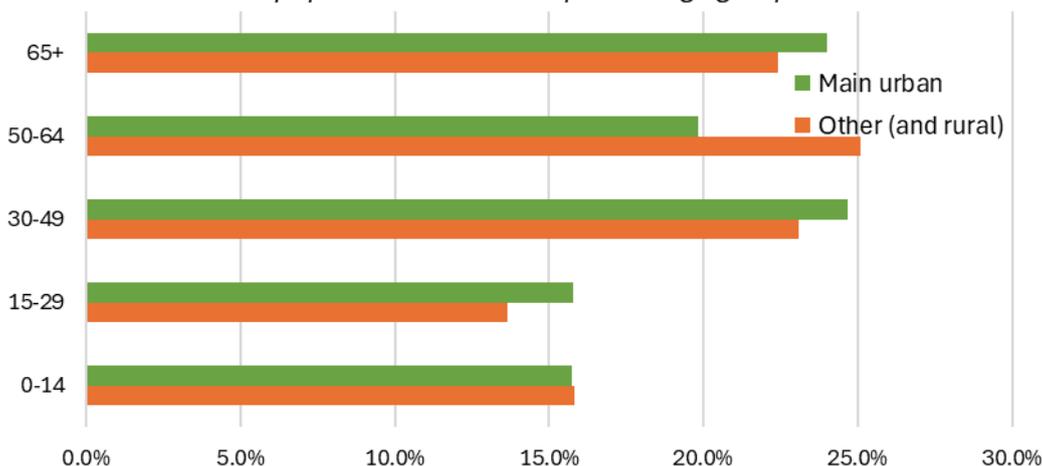
Population growth across different parts of Nelson-Tasman			
<i>Source: Statistics New Zealand subnational population estimates, June years, accessed 03/03/26</i>			
	Population level		Growth
	2025	2015	Average (%pa)
Nelson	54,300	50,500	0.7%
Richmond	19,500	14,500	3.0%
Motueka	8,290	7,740	0.7%
<i>Main urban total</i>	<i>82,090</i>	<i>72,740</i>	<i>1.2%</i>
<i>Other (rural) total</i>	<i>32,110</i>	<i>28,460</i>	<i>1.2%</i>
<b>Nelson-Tasman</b>	<b>114,200</b>	<b>101,200</b>	<b>1.2%</b>
New Zealand	5,124,100	4,408,100	1.5%

Richmond has had the fastest growth, averaging 3.0%pa, compared to 0.7%pa in Nelson City and Motueka. Growth across the region’s rural areas was 1.2%pa. The population across urban areas tends to have more retirees and young adults, while rural areas have a much higher share of people in their 50s and 60s. The shares of families with young children are reasonably evenly split across the region.

**Figure 10 – Nelson-Tasman’s population demographics: urban and rural comparison**

#### Nelson-Tasman urban = more retirees and young adults

*Statistics NZ 2025 population estimates split into age groups*



### 3.8. Living standards

The standard of living of Nelson-Tasman is generally high. Although average household incomes are less than the national average, the region's unemployment rate and the proportion of the population receiving a benefit both sit lower than the rest of New Zealand. Nelson-Tasman youth are more engaged in work or education than their counterparts elsewhere, which is reflected in higher levels of NCEA attainment.

Household incomes in Nelson-Tasman currently sit at around \$103,900. Average household income growth over the past decade has been 4.1%pa, which is higher than average inflation of 3.1%pa over the decade, indicating a slight increase to purchasing power for consumer goods despite inflationary pressures between 2021 and 2024.

Even though house prices in Nelson-Tasman were below the national average in 2025, they were still less affordable than other parts of New Zealand due to lower average incomes. Despite a slight easing of house prices in Nelson-Tasman since their 2022 peak of close to \$900,000, prices remain well above pre-Covid levels. Consequently, housing affordability in the region has still deteriorated markedly over the past decade.

Around 10% of Nelson-Tasman's working age population receive a benefit, which is slightly higher than it was in 2023 (8.9%) due to more challenging economic conditions over recent years. Nevertheless, the share of the working age population in Nelson-Tasman receiving a benefit is still below the national average (11.4%).

**Table 7** – Selected indicators of living standards

<b>Nelson-Tasman's living standards</b>				
<i>Infometrics, MSD, MOE. Data for 15/25, except NCEA (12/22), Mar. years except Dec. unemployment</i>				
	<b>2025</b>		<b>2015</b>	
	Nelson-Tasman	New Zealand	Nelson-Tasman	New Zealand
Average household incomes	\$103,867	\$135,266	\$70,261	\$90,204
Average house price	\$757,865	\$872,606	\$390,985	\$483,684
Housing affordability (house price to income ratio)	7.3	6.5	5.6	5.4
Unemployment rate	3.9%	5.3%	4.9%	5.3%
Beneficiaries (% of working age pop., 15-64 years)	10.1%	11.4%	9.0%	10.4%
NEETs (15-24's not employed, in education/training)	10.6%	13.3%	11.3%	11.7%
NCEA Level 2 or above (% of 18 year olds received)	85%	82%	80%	77%

## 4. Economic challenges along the road ahead

This section considers some current and potential challenges that may influence the road ahead.

### 4.9. Challenges from Nelson-Tasman's economic context

The following challenges are apparent in Nelson-Tasman's economic context:

1. **Infrastructure and asset resilience.** Severe weather events, such as the major floods of June and July 2025 caused widespread damage to infrastructure, assets, and productive land. Over 600km of roads were closed and essential services like power, water, sewerage, and communications were disrupted, while farms, orchards, forests, and homes suffered significant losses. Alongside the physical damage, the floods were estimated to result in up to \$262 million of cumulative GDP losses<sup>6</sup> for Nelson-Tasman because of reduced production and disrupted visitor demand, highlighting the importance of strengthening infrastructure resilience to future severe weather.
2. **Productivity** in Nelson-Tasman in 2025 sat 18% below the national average (measured by GDP per job). A sustained focus on investment and innovation will be necessary to lift productivity and create opportunities for better paid employment. There has been some progress in closing the gap, with the productivity gap having reduced from 21% to 18% within the past 10 years. However, author calculations suggest that productivity growth would still need to double from current trends to close the productivity gap with New Zealand before 2050.
3. **Constrained workforce availability.** Almost one in four (24%) of Nelson-Tasman's population is aged over 65 (versus 17% nationally), up from 19% a decade earlier. The region also has a comparatively smaller youth cohort, with only 16% of residents aged 15-29 (versus 18% nationally). This aging demographic creates opportunities for industries servicing the 'silver economy' (such as health care and social assistance), but also creates increasing workforce constraints as deaths now exceed births across the region and retirement demand has risen.
4. **Migration reliance.** Population growth in Nelson-Tasman is now entirely reliant on migration from elsewhere in New Zealand and overseas. Natural increase (births minus deaths) has been negative for three consecutive years (2023-2025) due to the region's aging demographic. Migration will therefore play an increasingly important role in maintaining workforce capacity, but competition between regions for skilled workers will intensify. Improving worker retention, investing in skills development, and adopting automation will also be important responses.
5. **Household incomes** in Nelson-Tasman remain well below the national average. In 2025, average household income was about \$103,867, compared with \$135,266 nationally (around 23% lower). Lower incomes partly reflect the region's older demographic profile, but also the region's productivity gap – with GDP per job about 18% below the national average.
6. **Housing affordability** has deteriorated over the past decade. Although the average house price eased from its 2022 peak of nearly \$900,000, it still averaged about \$757,865 in 2025, and housing remains less affordable locally than nationally due to lower incomes. The average home in the region costs around 7.3 times average household income, compared with 6.5 times nationally. Housing pressures can influence population flows and workforce catchments.
7. **A more spread-out population.** Population growth is largely occurring outside Nelson City. About 71% of population growth over the past decade was outside Nelson, with Richmond experiencing especially rapid growth. This dispersal creates challenges for infrastructure provision, community services, and transport and digital connectivity needed to support access to jobs and education.

<sup>6</sup> Source: Benje Patterson (2025), Tasman Floods Key Sectors Impact Assessment.

8. **A highly seasonal industry base.** Nelson-Tasman’s horticulture and tourism sectors remain key contributors to the economy but are highly seasonal. Harvest periods and peak visitor seasons create concentrated labour demand that can lead to workforce shortages at certain times of year. Mitigations include greater automation and stronger workforce linkages between industries with complementary seasonal patterns to support more year-round employment.
9. **Youth retention.** Nelson-Tasman has a relatively small youth population, with 16% of residents aged 15-29 compared with 18% nationally. Although school leavers in the region achieve strong educational outcomes, many leave to pursue tertiary education and career opportunities elsewhere. Encouraging young people to return and highlighting viable local career pathways will remain an important challenge for the region.
10. **Smaller scale of business.** Nelson-Tasman’s economy is dominated by small businesses. About 92% of businesses employ fewer than 10 people, while only 1.1% have more than 50 staff. There were also 9,824 self-employed people in 2025 (16.6% of employment), a slightly higher share than nationally. While this entrepreneurial base is a strength, small firms have limited capacity to adopt new technologies, invest in productivity improvements, or respond to economic change.

#### 4.10. Megatrends to be aware of

Megatrends are domestic and international macro forces that have implications for business, economy, society, and people’s lives. Long-term megatrends relevant to the region include, but are not limited to:

1. **Rising nationalism.** Global conflicts and higher tariffs in major economies create complexity and uncertainty for our exporters. Nevertheless, demand for New Zealand products, as they come from a relatively safe and secure part of the world does appeal to many buyers of our goods.
2. **Growth of the global middle class.** Rising incomes across Asia and other developing regions are expanding demand for premium food, beverage, and lifestyle products – areas where Nelson-Tasman has established strengths.
3. **Renewed focus on infrastructure.** Much of New Zealand’s legacy infrastructure is reaching the end of its life, while further investment is needed to support growth. At the same time, expanding pools of capital such as KiwiSaver and international sovereign wealth funds could provide long-term funding if appropriate investment and partnership models are developed.
4. **Changing nature of work.** Remote and flexible work remain part of the employment landscape despite a partial return to offices. Younger workers increasingly prioritise lifestyle and flexibility, while contracting, portfolio careers, and ongoing reskilling are becoming more common.
5. **Automation and AI.** Automation and AI will reshape many industries, with some changes occurring rapidly. While these technologies offer productivity gains, they will also shift skill requirements and create transition challenges for some workers.
6. **An aging workforce.** People are working longer and remaining active in the labour market later in life. Managing and supporting older workers will be important, while eventual retirements will increase replacement demand and intensify competition for younger workers between regions.
7. **Wellbeing and inclusive growth.** Alongside economic success, there remains a desire within communities to also consider progress against social and environmental outcomes. Wellbeing and inclusive growth is core to regional strategies like the Te Taihu Intergenerational Strategy.
8. **Climate change impacts.** Climate change will have both direct and indirect effects. More frequent severe weather events may disrupt activity, while shifting consumer preferences and policy responses will reshape sectors such as energy, agriculture, and tourism.
9. **More careful freshwater management.** Freshwater protections look different under different governments, but water management will continue to influence land use. Investments such as the Waimea Dam, alongside adaptation in farming and horticulture, are important responses.

## 5. Opportunities for economic development

The context and challenges give a platform to identify opportunities. Realising opportunities will involve advocacy, investment, and delivery by different partners.

At a foundational level, economic development activities must be underpinned by a focus on:

- **Raising the productivity bar** – The region’s productivity is still 18% below the national average, despite having improved from a 21% productivity gap a decade ago. Transformational change will take sustained long-term lift in investment and innovation by businesses, supported by a focus on long-term investment in infrastructure and enabling services. A doubling of long-term productivity growth from current levels is needed to close the gap by 2050. Any interventions must not only rely on large businesses, but must also factor in smaller businesses’ capacity to embrace change, given that 92% of Nelson-Tasman businesses have less than 10 staff.
- **Enabling infrastructure and services** – For Nelson-Tasman to lift productivity and realise potential against the key opportunities identified, its businesses and residents will need access to a high quality of infrastructure (eg. transportation, social infrastructure, and digital connectivity) and services (eg. health and education). What is provided must meet the needs of a growing population that has an evolving footprint and be resilient to extreme weather events and other natural disasters. Recent population trends have shown that population growth is spreading beyond Nelson and into smaller towns and rural areas across the region. This spreading of the population, coupled with evolving work practices in some industries, will structurally change how and where people go about their day-to-day lives for work, education, and leisure. There is an opportunity for collaboration and advocacy to ensure investment matches this change.

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An ambitious target for Nelson-Tasman’s economy would be to double its export earnings from goods and services from just over \$2 billion to exceed \$4 billion (in inflation-adjusted terms) by 2050.

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A target of doubling the real value of exports by 2050 can be driven by investing in the right enablers to lift productivity outcomes within key industries of competitive advantage (such as the blue economy, forestry, food and beverage and wellness products, and tourism) and developing new products and market opportunities within these key industries.

The key industries of competitive advantage which offer economic development opportunities include<sup>7</sup>:

1. **Blue economy** – The region’s blue economy is a competitive strength, with over 3,700 people employed across more than 300 businesses<sup>8</sup>. The New Zealand Government Aquaculture Strategy identified opportunities to expand aquaculture exports from \$600 million a year to \$3 billion by 2035. With about one third of New Zealand’s fishing and aquaculture employment already based in Nelson-Tasman, the region can play a key role in achieving this target. The Moananui blue economy cluster, based in Nelson-Tasman, is New Zealand’s only blue economy cluster, fostering partnerships across aquaculture, fisheries, biotech, bluetech, ocean energy, research, engineering, and infrastructure.

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<sup>7</sup> These have been informed by previous analysis into Nelson-Tasman’s industry advantages using location quotient analysis. See: Benje Patterson (2021), Top of South Island - Identifying competitive advantages using location quotient analysis

<sup>8</sup> See NRDA Blue Economy at a glance, available here: <https://tinyurl.com/bdhnyx4>

2. **Food and beverage and wellness products** – Nelson-Tasman has a thriving and diverse food and beverage sector spanning the value chain from paddock/orchard/ocean to plate. Previous research indicates the sector supports one in five jobs in the region<sup>9</sup>. Products range from orchard, paddock, and ocean-based production through to manufactured foods and hospitality cuisine. Opportunities exist to invest in research to improve growing efficiency and develop new high-value food and beverage products, particularly those with a wellness focus. Links between the food and beverage sector and tourism are also important, with many visitors continuing to purchase Nelson-Tasman products after returning home.
3. **The visitor economy** in Nelson-Tasman averages 48% more visitors in accommodation each night relative to its population than the national average (30.4 guests per 1,000 residents versus 20.5 nationally). The visitor economy can strengthen links to other sectors and act as a ‘shop front’ for the region. Tourism creates value not only through visitor spending but also by connecting visitors to Nelson-Tasman products (eg. food and beverage) they continue to buy once home. Many of the attributes that attract visitors also attract migrants, making tourism an important conduit for worker attraction and investment.
4. **Forestry and wood product manufacturing** – About 5% of New Zealand’s plantation forest volume is in Nelson-Tasman, with a similar share in neighbouring Marlborough. Despite a recent sawmill closure, the region remains a leader in adding value within the forestry sector. Nelson-Tasman has the country’s highest concentration of specialist processing, particularly laminated and structural wood products and associated adhesives. Nelson’s modern airport terminal highlights the potential for engineered wood in commercial construction, with further opportunities driven by strong housing demand and sustainable building practices.
5. **Embracing te ao Māori** – There are opportunities to further embed te ao Māori within the regional economy. Diversity can foster innovation, and Māori business models offer lessons including a strong intergenerational focus. Export opportunities also exist for products with authentic indigenous provenance. Creating career pathways and training for Māori in key sectors will help address skills shortages, particularly as Māori are younger (29% aged under 15 compared with 16% across the total population). The eight iwi of Te Taihū have a strong record of collaboration, reinforced through the Te Kotahi o Te Taihū Charitable Trust. Their combined asset base of more than \$1 billion makes iwi an important source of local investment.
6. **Lifestyle** – Geopolitical uncertainty and the Covid-19 pandemic have encouraged many people to reassess priorities, increasing the importance placed on lifestyle and wellbeing. This shift favours regions like Nelson-Tasman, whose lifestyle attracts migrants. Retaining these people requires strong community liveability, quality infrastructure, and workplaces that support job satisfaction and work-life balance. Good digital connectivity also enables opportunities linked to remote work. Maintaining the region’s lifestyle appeal will remain important as natural population growth has turned negative.
7. **Health care and social assistance** – Around 24% of Nelson-Tasman’s population is aged 65 or older, compared with 17% nationally. This rapidly aging population creates strong long-term growth opportunities in the health care and social assistance sector. The region could also become a test bed for innovation in care models and health technologies, while businesses more broadly can adapt services to tap into the ‘silver economy’ of spending by older people.

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<sup>9</sup> See: Benje Patterson (2024), Baseline economic analysis of Nelson-Tasman’s food and beverage sector, available here: [https://backend.nelsontasman.nz/assets/DMSDocuments/Nelson-Tasman-food-and-beverage-sector-baseline-economic-analysis\\_.pdf](https://backend.nelsontasman.nz/assets/DMSDocuments/Nelson-Tasman-food-and-beverage-sector-baseline-economic-analysis_.pdf)



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