

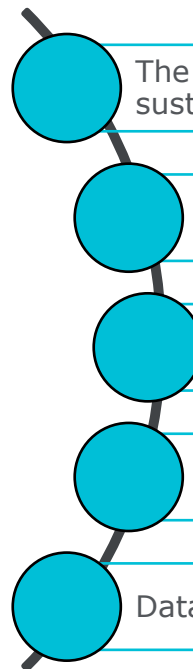


2024 TSC Annual Declaration

Summary of Results



2024 TSC Annual Declaration

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- The TSC has 12 commitments covering economic, visitor, community and environmental sustainability. It has been signed by over 2000 businesses
 - Each year all signatories are requested to complete an annual declaration so that progress against these commitments can be monitored.
 - This report reflects the current state of progress by respondents in advancing the Tourism Sustainability Commitment's twelve Commitments.
 - This is the third such survey of TSC signatories, run since the disruption caused by the COVID-19 pandemic.
 - Data from this survey will build on our knowledge for on-going tracking of TSC progress.

Methodology



The NZ Tourism Sustainability Commitment

ECONOMIC

Tourism delivers opportunity and prosperity across the New Zealand economy.

1

Resilience

We focus on long term business performance and resilience.

2

Investment

Invest to create value, opportunities and to drive sustainability practices.

3

Innovation

Innovate to solve problems, create new ways to do things and increase productivity.

VISITOR

New Zealand provides world-leading experiences for both international and domestic visitors.

4

Visitor Satisfaction

We strive to always meet or exceed visitor expectations.

5

Culture and Heritage

Embrace Aotearoa New Zealand's culture and heritage as part of delivering a unique and authentic visitor experience.

6

Visitor Engagement

We engage with visitors about how to be great travellers within Aotearoa New Zealand.

COMMUNITY

New Zealanders understand, support, shape and benefit from tourism operating in their communities.

7

Employer of Choice

We attract, support and develop the workforce we need to flourish and succeed.

8

Community Engagement

We actively and positively engage with the communities in which we operate, taking a leadership role to champion causes that are important to the community.

9

Sustainable Supply Chains

We have socially and environmentally sustainable supply chains.

ENVIRONMENT

Tourism strongly contributes to protecting, restoring and enhancing New Zealand's natural environment and biodiversity.

10

Restoring Nature

We contribute to protecting and enhancing Aotearoa New Zealand's environment, including water, biodiversity, landscapes and clean air.

11

Carbon Reduction

We act urgently to contribute to Aotearoa New Zealand's transition to a net zero carbon economy.

12

Eliminating Waste

We take responsibility for the entire life cycle of products and services we use and ultimately eliminate the waste associated with these.

Executive Summary - Key Insights



99% of respondents recognise sustainability as important to their business



Businesses will prioritise sustainability to meet customer expectations and improve profitability



The top barriers to progress are a lack of time and resources



Overall business confidence is declining



Businesses are progressing on their carbon reduction journeys, with varied approaches based on their resources and needs



Most businesses are confident of attracting and retaining the staff they need, offering a wide range of staff benefits



Many businesses are not yet proactively encouraging visitors to be good travellers by sharing the Tiaki Promise



Many businesses not yet always including Māori language or culture in their experiences



Most businesses are contributing to Predator Free 2050 by building actions into their business plans

Sustainability Progress

There is a big discrepancy between sustainability aspirations and actions.

This is very similar to previous years.



99%

say sustainability is important to their business



53%

Include sustainability metrics in reporting



43%

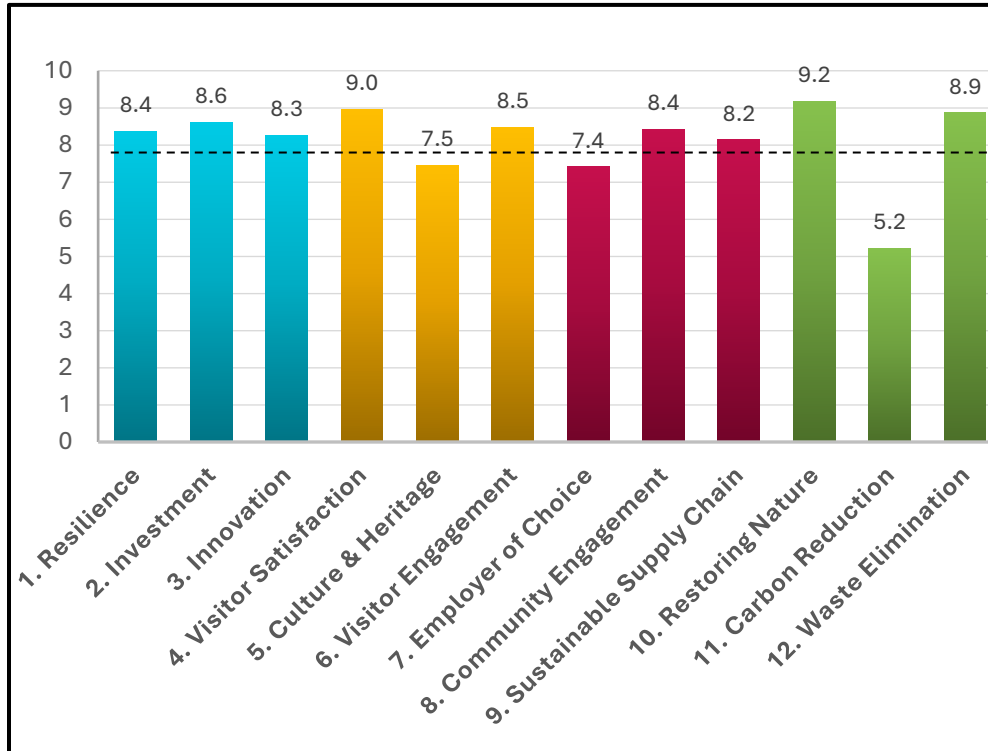
have a sustainability plan



18%

have a sustainability budget

Score by Commitment



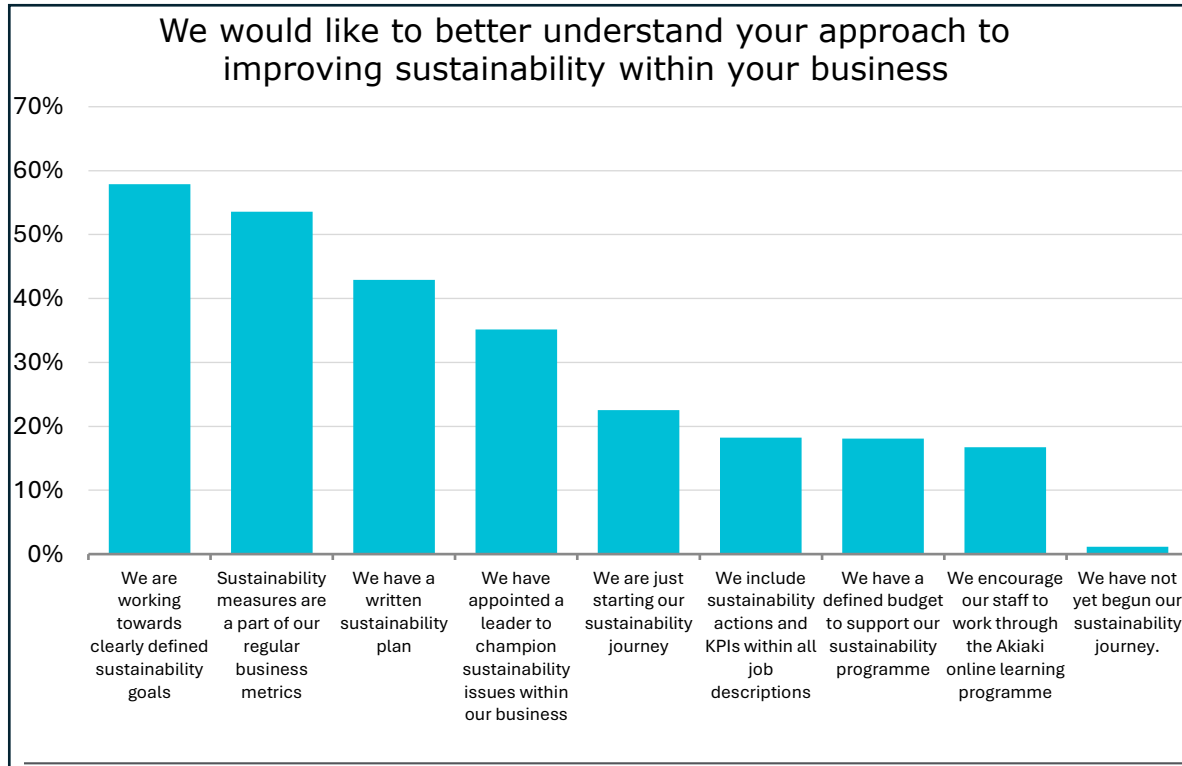
Average Score is 8.1

- exactly the same as last year
- indicates stability across many areas reflecting a level of maturity in systems and processes.

Compared to 2022:

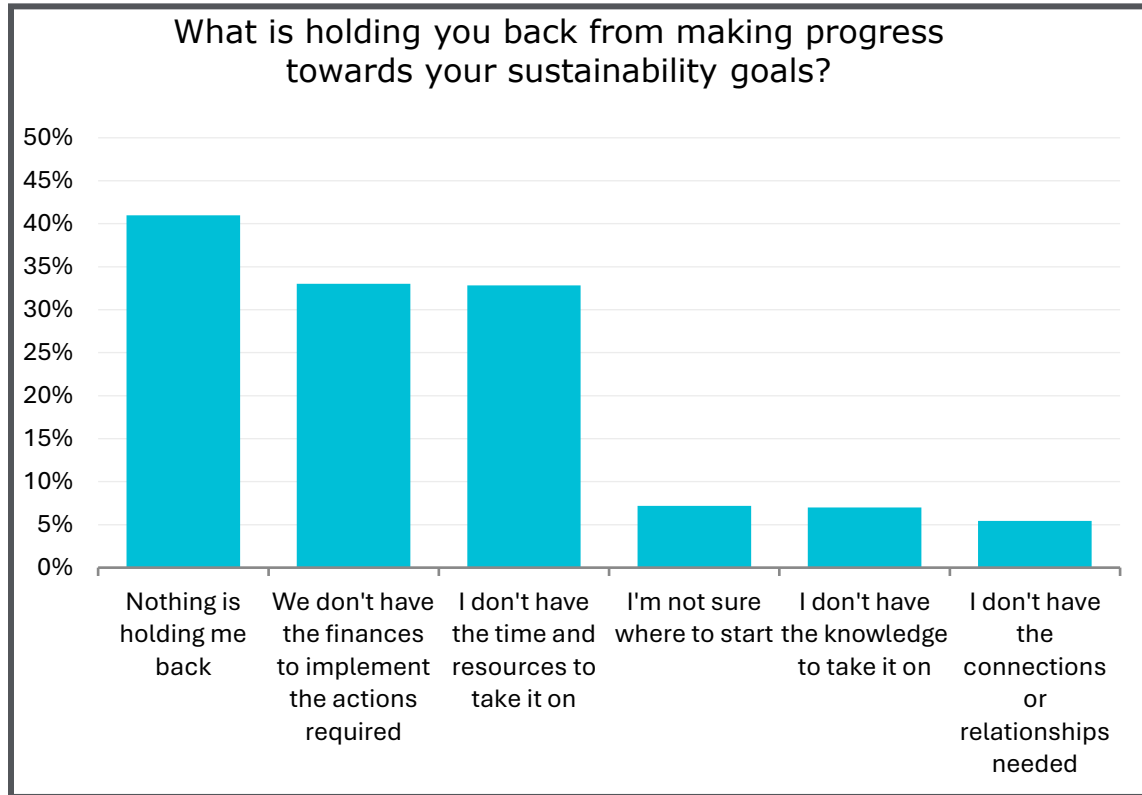
- Resilience has declined from 9.0 to 8.4
- Being an employer of choice has increased from 6.8 to 7.4
- Carbon reduction has increased from 4.5 to 5.2

Businesses are taking a purposeful approach to sustainability



- A majority of businesses are actively working towards sustainability, with 58% having defined sustainability goals and 54% incorporating sustainability into regular business metrics.
- 43% of businesses have a written sustainability plan, and 35% have appointed a leader to champion sustainability issues, indicating structured efforts in sustainability.
- Actions like including sustainability KPIs in job descriptions (18%), defining budgets (18%), and using learning programs like Ākiaki (17%) are less common, suggesting areas for further improvement.

Barriers



- Time and financial constraints are significant barriers to progress.
- 41% say nothing is holding them back from making progress towards sustainability goals

We don't have the finances to implement "high cost" initiatives required

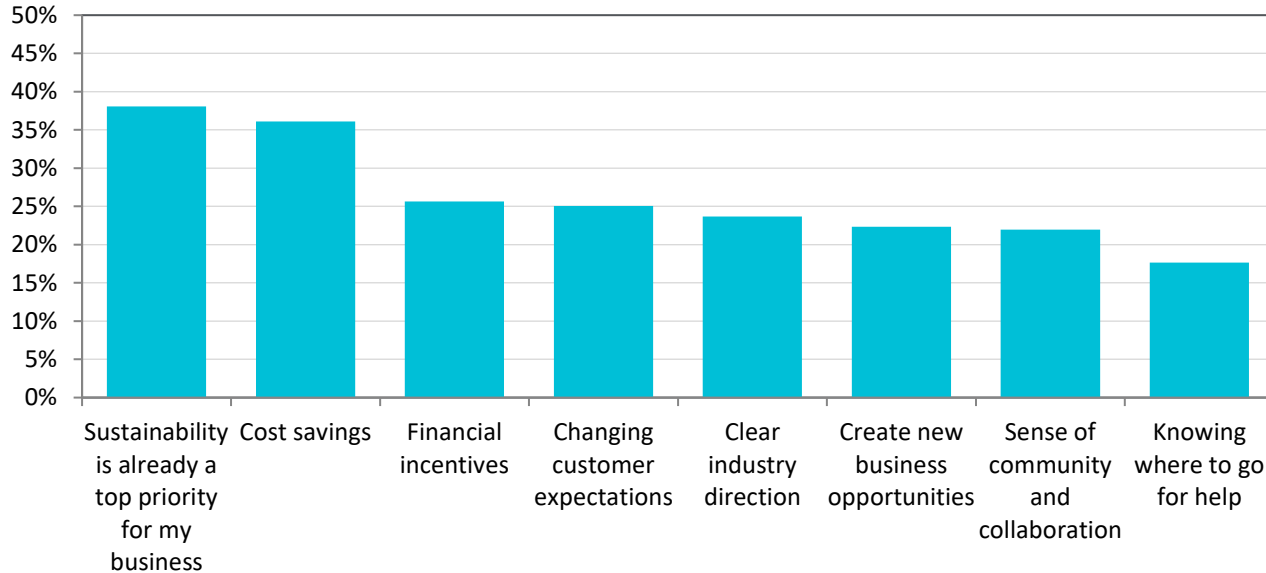
Infrastructure within NZ is part of the reason.

Whilst sustainability is a key part of our business, immediate issues have been more pressing.

Guests... they can be great or they can undo everyone else's hard work.

Motivation

What would motivate you to make sustainability a higher priority in your business?



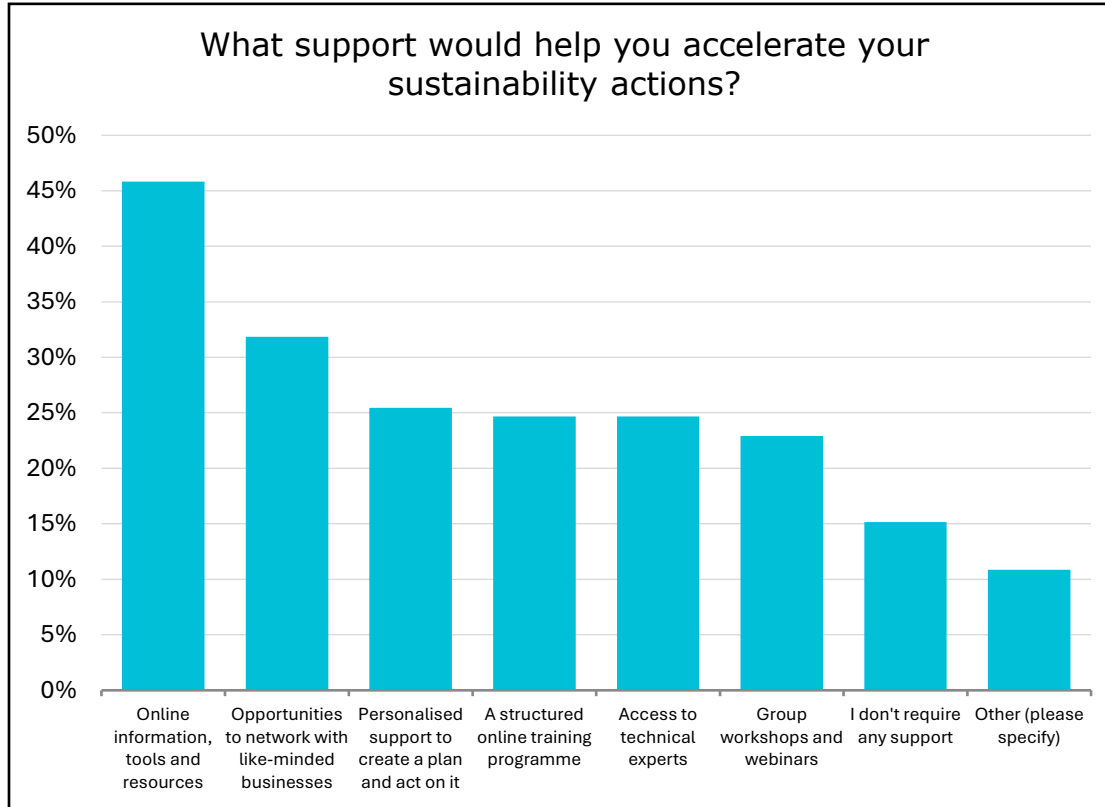
- For 38% sustainability is already a top priority
- For the others a stronger business case needs to be made to drive sustainability actions
- Businesses will prioritise sustainability to meet customer expectations and improve profitability.

I practice sustainability as part of my Māori culture

The biggest impact on sustainability in our business is visitor buy in - this ranges from rewarding to soul crushing

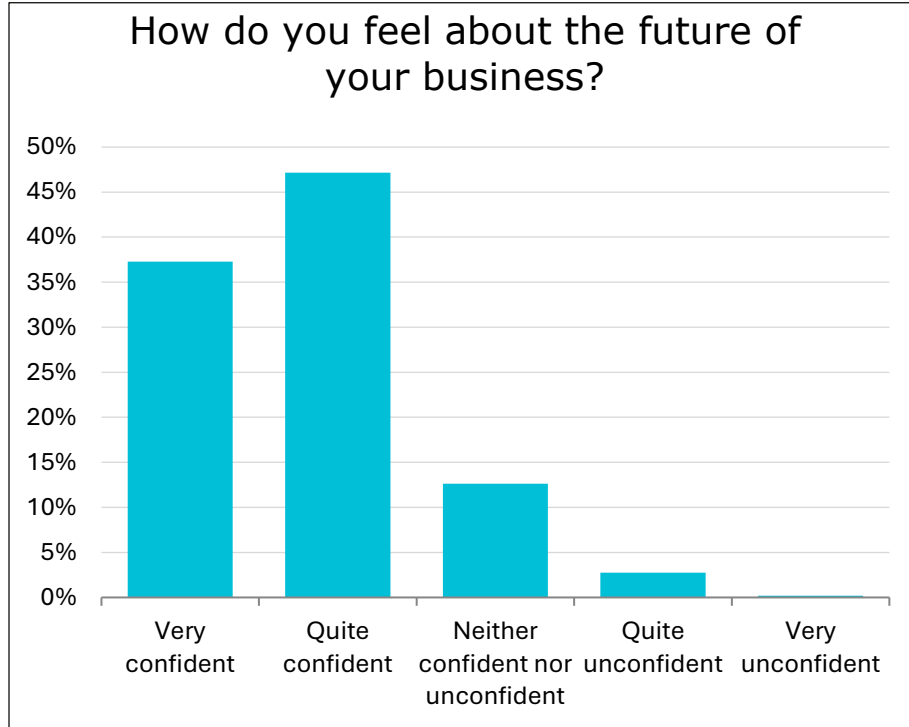
Customers are not prioritizing these products

Support



- Top Priority: Businesses prioritize online information, tools, and resources (46%) as the most desired support to accelerate their sustainability actions.
- Collaboration and Support: Opportunities to network with like-minded businesses (32%) and personalized support to create and act on a plan (25%) are also significant needs.
- Structured Programs: Structured online training programs, access to technical experts (both 25%), and group workshops/webinars (23%) are valued tools for achieving sustainability goals

Commitment 1: Resilience



- 84% of businesses feel confident about their future, although confidence has slightly declined from previous years.
- Only 37% of businesses are "very confident" about their future, a significant drop from 60% in 2022.
- *In the recent Workforce Survey only 15% reported feeling "very optimistic" about the future of their business. This comparison would indicate that businesses who are focussing on sustainability are feeling a lot more positive about the future of their businesses.*

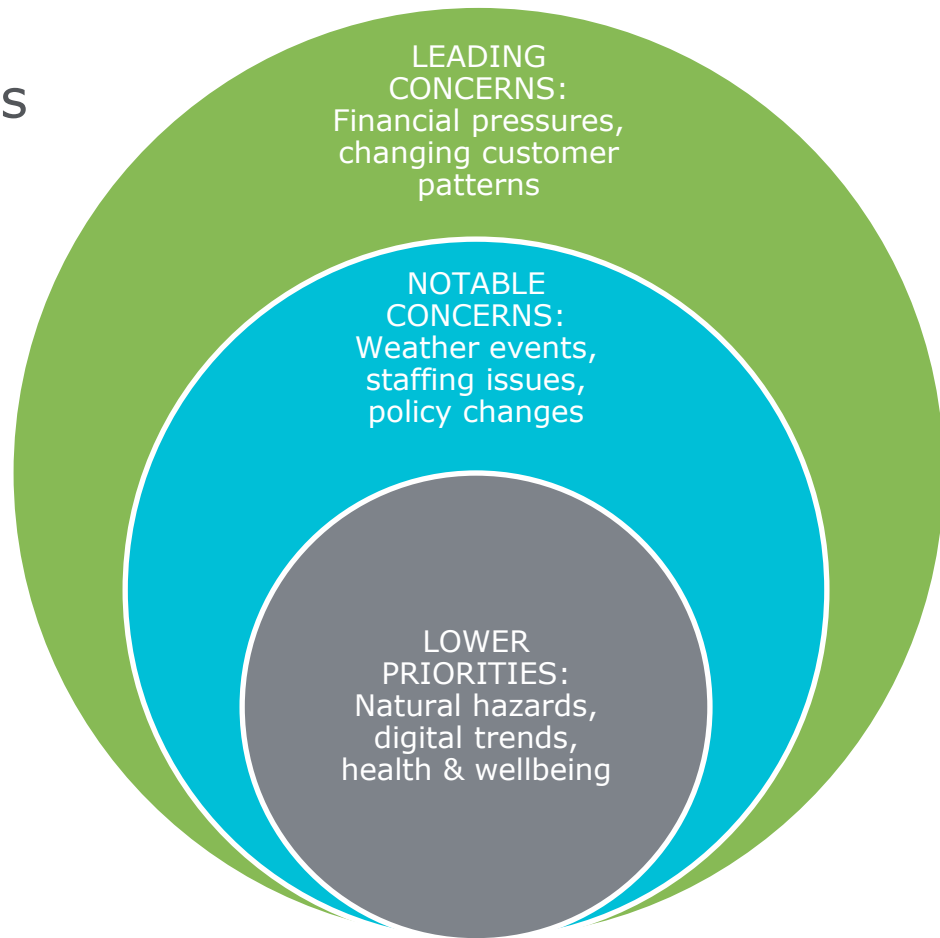
What are your biggest concerns regarding the future resilience of your business?

Unsupportive government and cost of living crisis

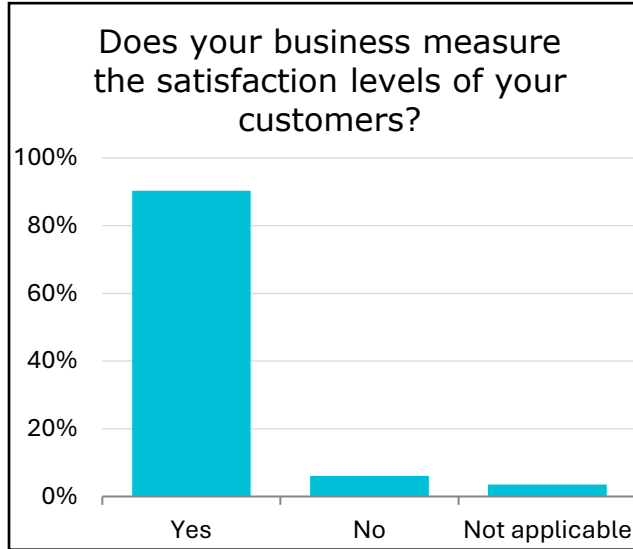
Geopolitical Risk

Air turbulence and ocean swells are going to get worse and potentially prove a turn-off for those travelling long haul to get here

The cost of travel to NZ and hotel rates

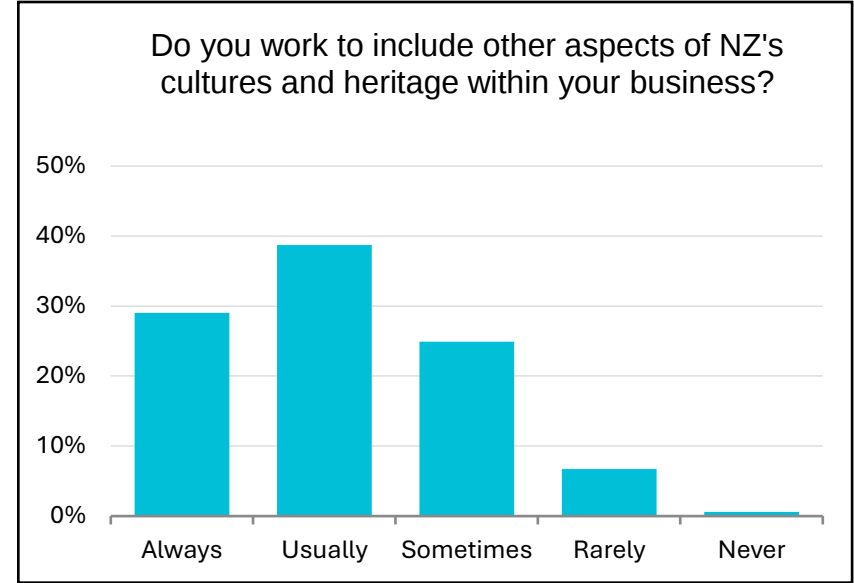
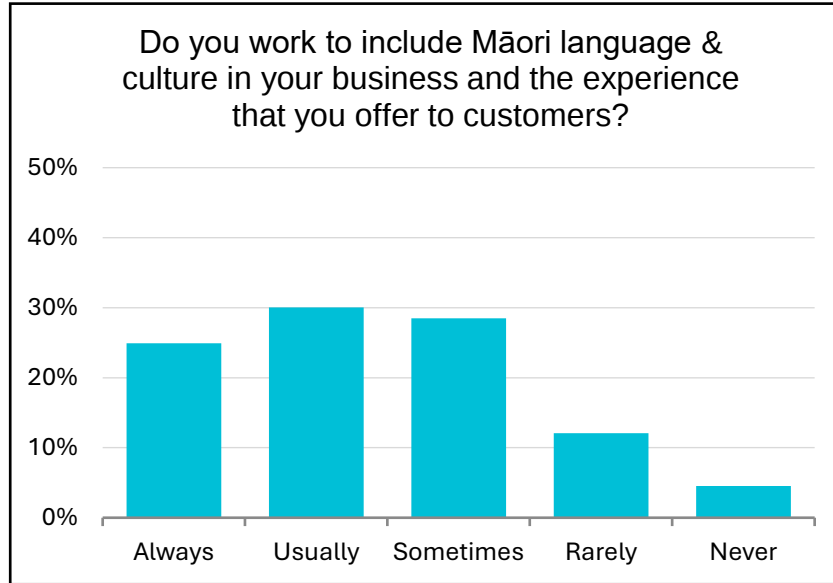


Commitment 4: Visitor Satisfaction



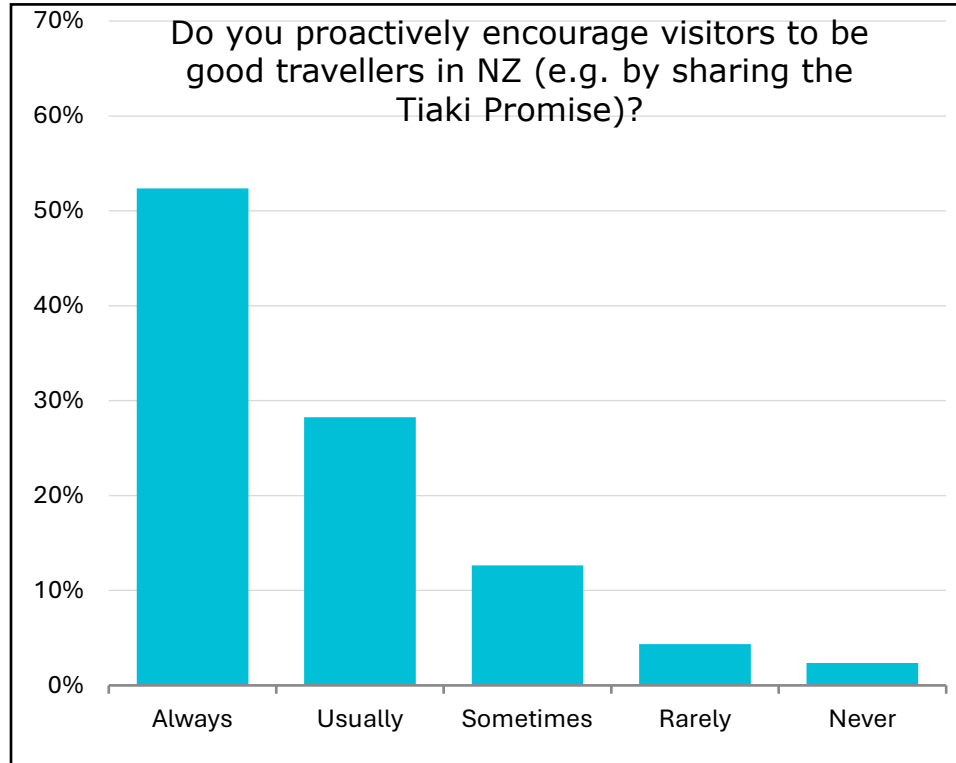
- While nearly all businesses measure customer satisfaction levels, not all business owners always act on customer feedback

Commitment 5: Culture & Heritage



- Our unique point of difference is not yet being fully embedded in the experiences we offer our visitors.
- There is room to improve how we embrace and share the cultural aspects of the visitor experience.

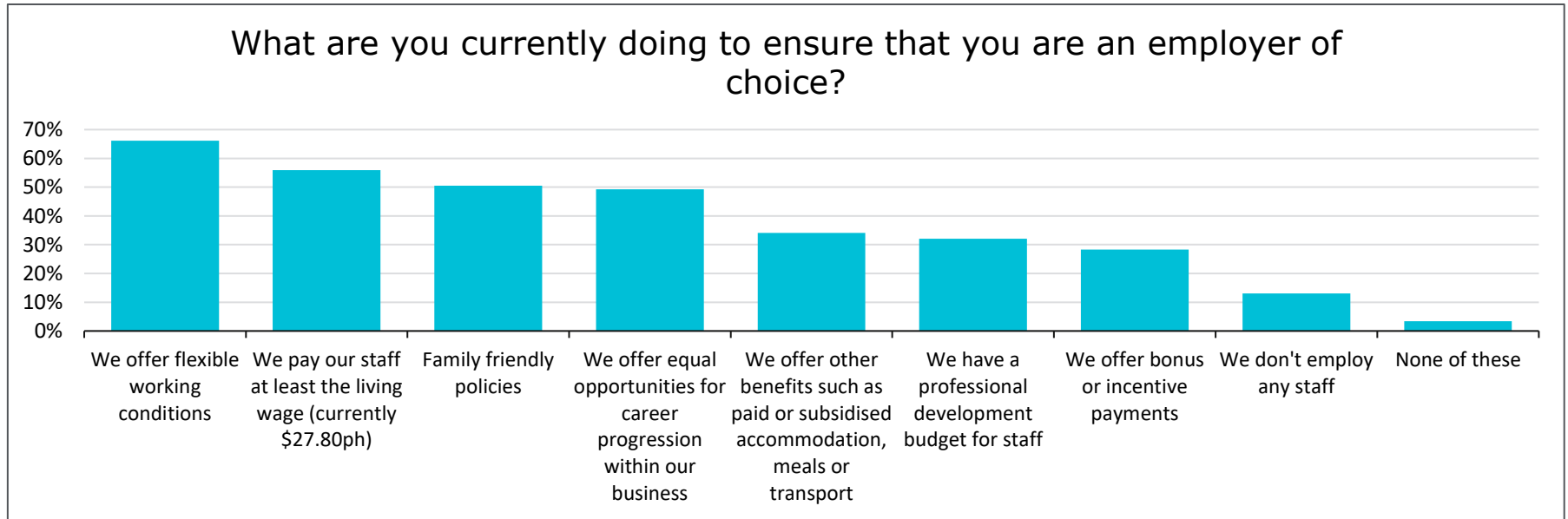
Commitment 6: Visitor Engagement



- Embedding the Tiaki Promise is one of the 10 actions in the Tourism 2050 Blueprint
- However many businesses are not yet proactively encouraging visitors to be good travellers by always sharing the Tiaki Promise

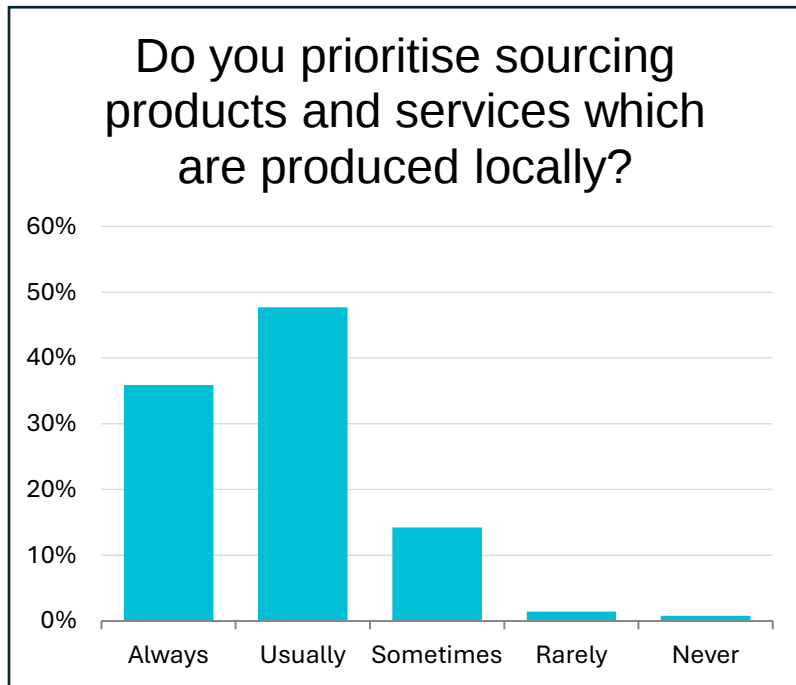
Commitment 7: Employer of Choice

- 59% are extremely or very confident that they can attract and retain the staff they need.
- Compared to last year, MORE respondents are taking actions to be an employer of choice. Businesses are using a combination of well-being initiatives, flexible working conditions, family friendly policies, perks, positive work culture, career development opportunities, and competitive compensation to position themselves as employers of choice



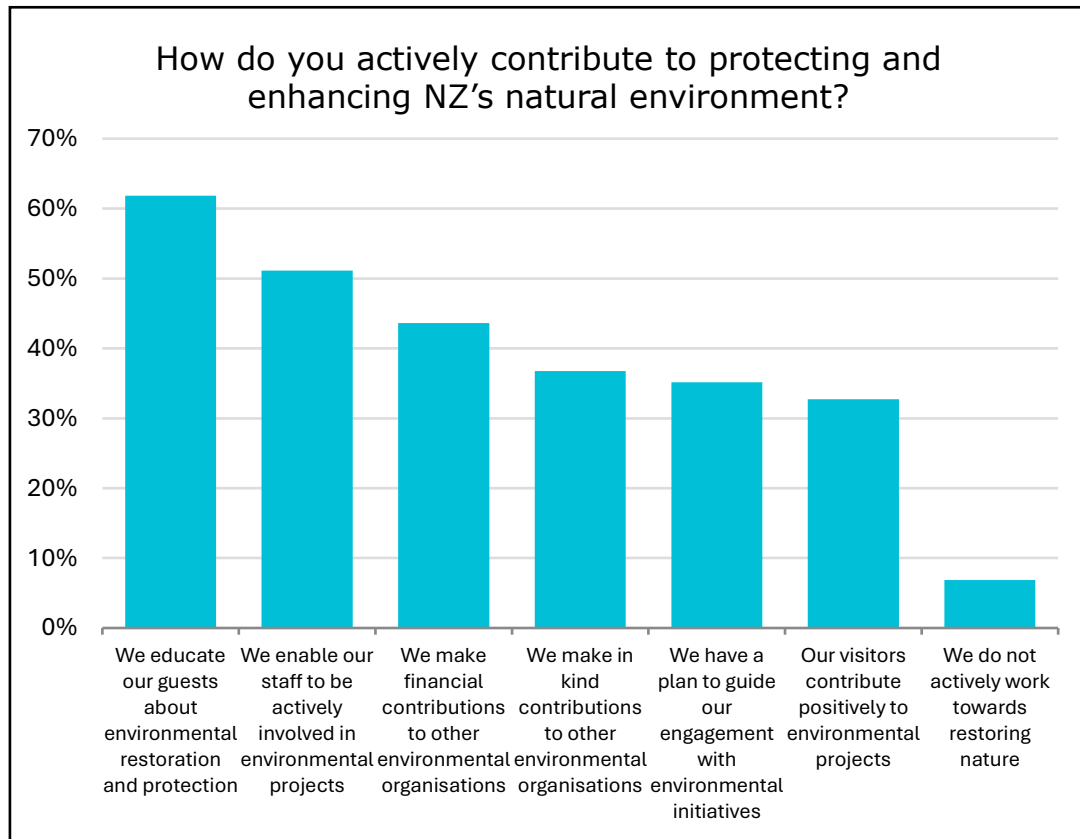
Commitment 8: Community Engagement

Commitment 9: Sustainable Supply Chains



- Most businesses (80%) engage with their local community either "always" (47%) or "usually" (33%) to create mutual benefits. However only 50% have a plan to guide this work.
- Many respondents always (28%) or usually (48%) work with suppliers to ensure that their purchases are the most sustainable options available. However for a quarter of respondents this is not a common consideration.
- Buying local is strongly favoured by tourism operators where possible, with a majority (84%) always or usually sourcing local products.

Commitment 10: Restoring Nature



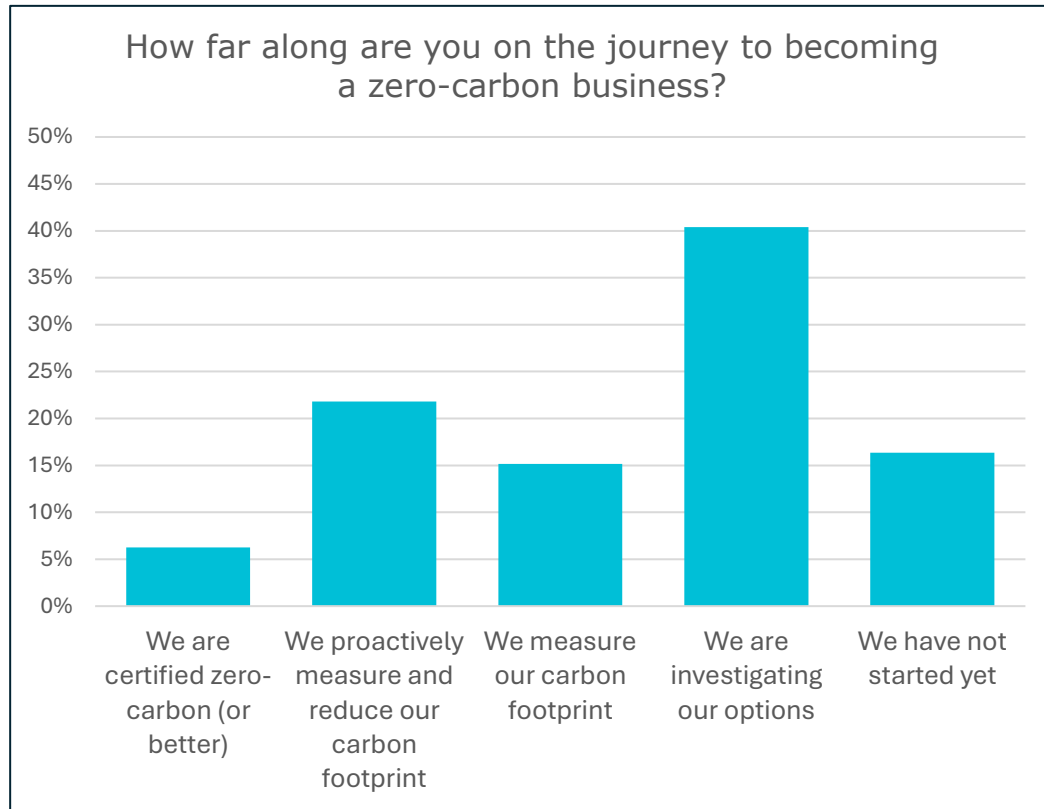
- 93% of respondents always or usually consider the impact of their actions on the environment.
- Respondents focus on guest education, staff participation in environmental projects and making financial contributions to other organisations.
- 32% are NOT supporting any predator-free programmes.

As an inbound tour operator, we also align ourselves with our suppliers, who are champions of sustainability. We also educate our guests about the conservation and environmental initiatives

We have a partnership with DOC to contribute financially to pest eradication on NZ's Great Walks

We participate in native tree plantings regularly, have beehives to encourage pollination of native plants, use solar to reduce energy use from non-renewable sources

Commitment 11: Carbon Reduction



- Businesses are progressing on their carbon reduction journeys at different paces depending on their resourcing and needs.
- 56% have not yet taken concrete steps forward in measuring their emissions.
- Some expressed dissatisfaction with certification schemes, opting instead for more direct action, such as supporting local conservation efforts.

We were previously carbon certified but costs involved make this uneconomic especially when we have such a large environmental initiative on site that cannot be counted in offsets usage.

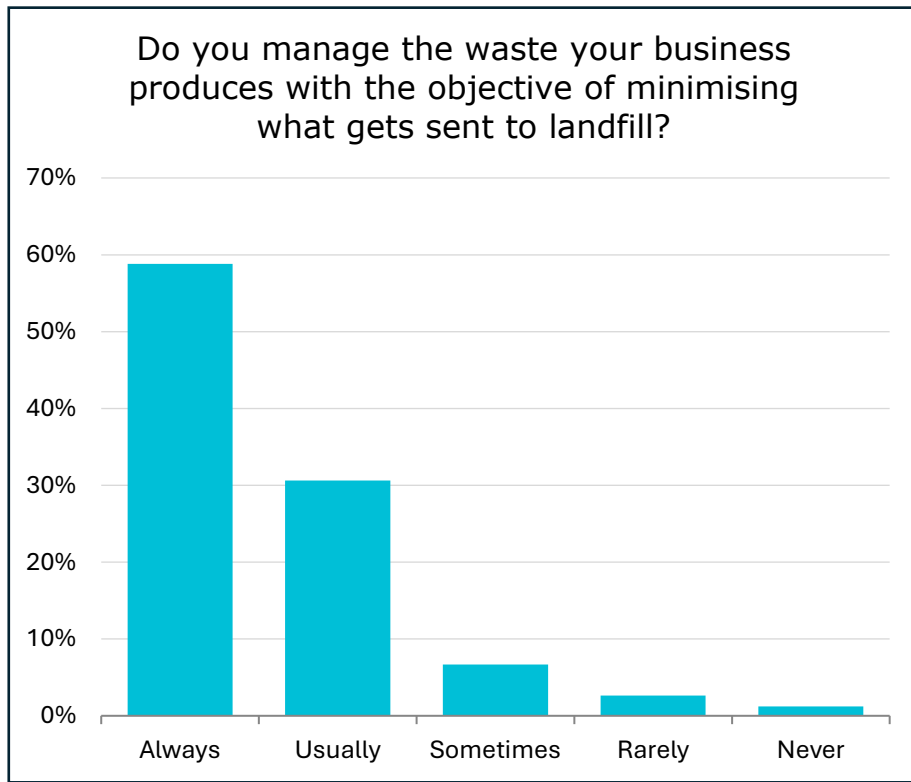
We allow customers to partially offsetting their carbon usage at point of sale.

While we could invest in becoming zero-carbon certified, we don't see it as a wise use of money, donating to preferred organisations instead.

Carbon Measurement vs Certification



Commitment 12: Waste Elimination



- Over half the respondents (53%) have completed a waste audit of their business.
- Most respondents (90%) always or usually manage their waste to minimize what gets sent to landfill.

I have discussed my concerns about the use of plastic wrap with our linen supplier and they now collect this and ensure that it is recycled. They offer this to their other Tauranga customers now.

We recycle literally everything. Grow our own Fruit & Veg so we don't rely on transport. We are very careful of all purchases and don't buy rubbish of any description.

Some Further Comments

Our team are proud of how much we do in the social and environmental sustainability space however we are terrible at telling our story of which we need to do, to inspire others.

We are committed to achieving carbon neutral by 2030. This year, we're targeting a further 5% reduction in emissions, bringing us to a 55% total reduction since 2022.

We live in a rural environment so have to be very aware of how we live, eat, play, etc within our environment.

We have eliminated paper travel documents for guests and now only provide e-docs.

As a Swiss Citizen, we are world champion in recycling and having a clean footprint in the world. So for me at the moment New Zealand is far behind in what they do for it.

A key challenge for us is managing the perception of tourism vs reality. How do we get better as an industry on measuring the impacts of tourism (positive and negative) but also the impacts of locals?

Biodiversity and conservation are at our core. There are so many amazing initiatives and leading conservation activities that we are undertaking to benefit NZ flora and fauna

We include sustainability in every decision that we make and are passionate about running a business that gives back and creates positive impact in peoples' lives.

While we are world-class in our conservation efforts, we are still on a journey in terms of our wider business with sustainability ie waste minimisation, procurement processes, vehicle fleet etc. But we are definitely on the journey and are progressing all the time

