



## ECONOMIC

### Sustainable Businesses

#### Commitment 1: Businesses are focused on long term financial performance

##### What does this mean?

- Businesses are to be managed responsibly and prudently with a best practice approach to financial management and planning.
- Focus is on long term financial performance, not short term gain.

##### How does this benefit me?

- Financially successful businesses with sound long-term financial plans are best placed to be truly sustainable by contributing to society, the environment and the success of the New Zealand tourism industry.
- Long-term planning is the key to any successful business venture.
- One of the most crucial benefits of financial planning is cost control. Creating annual budgets lets you see all expenses, plan for them, monitor them to see whether you are on track to meet your goals, and adjust them if necessary.
- Just because bookings and sales are strong doesn't mean you'll have that money as and when you need it. Financial planning includes a cash flow plan that forecasts all income and expenses and their exact timing, to ensure that all financial obligations, including investments, can be met as and when they occur.
- When you are in full control of your business' finances through long-term planning and monitoring, you are likely to realise that contributions to your host community or the environment can be comfortably included as part of your business expenses. And in turn, being truly sustainable can become a strong marketing tool for you to strengthen and grow your business.

##### Actions for your business

- Before you plan, take a step back and thoroughly analyse your business.
- Consider using an analysis tool like SWOT (strengths, weaknesses, opportunities, threats) or PESTLE (political, economic, social, technology, legal, environmental).
- Financial planning should always be done as part of an overall business planning exercise that includes an operational plan, HR and training plan, sales and marketing plan, community engagement plan, and others.
- Formulate clear, measurable and attainable operational and financial targets (short-term/long-term).

- Prepare business plans and strategies with a horizon of at least 3 years, and ideally 5 years. A good financial plan that can serve as a valuable tool to measure and manage your business should include:
  - Detailed revenue forecasts, by month
  - Forecasts for all expenses, as detailed as possible (goods purchased, consumables, services, salaries, other human resources-related expenses, sales and general administration cost, repair and maintenance, insurances, rates, fees, etc.), by month
  - Investment Plan
  - Cash flow Plan
  - Profit & Loss Forecast
  - Balance sheet (this may be optional for SMEs as it may require external professional assistance).
- Consider scenario planning. Prepare forecasts for best case, base case and worst case. Comparing your actual performance against the three scenarios will allow you to adjust your spending in a timely and well-planned manner to the income scenario you are experiencing.
- Establish financial key metrics and performance indicators (KPIs) to allow you to track, analyse and manage your financial performance.
- Establish financial reporting as a standard business practice. Measure and report financial performance against plan/budget on a monthly or quarterly basis.
- Analyse and take corrective action fast if actual performance lags behind budget.

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## ECONOMIC

### Capital Investment

#### Commitment 2: Businesses invest capital to grow, and/or to improve quality and productivity

##### What does this mean?

- Capital investment refers to funds invested in fixed assets for long-term use for the purpose of sustaining or furthering your long-term business objectives.
- Capital investments include:
  - The procurement of land, buildings, equipment, fittings and furniture, vehicles, other machinery, etc.
  - Initial investments to procure the assets to commence a business
  - Re-investments to replace assets that have reached the end of their useful lifespan
  - Investments in expansion, product enhancement and diversification.
- This Commitment focusses on the importance of investing and re-investing with a long-term view, to ensure New Zealand's tourism industry enhances its competitive position and economic strength through businesses investing in quality and productivity improvement.

##### How does this benefit me?

- Regular capital investments are a prerequisite to conducting your business, to sustain it and to allow it to develop and grow.
- Re-investments to replace fixed assets that have reached their feasible lifespan are essential to maintain and improve business operations and standards, and for managing operating costs.
- Operating your business with modern and efficient assets including equipment, machinery or vehicles reduces your operating expenses, including maintenance and repair costs, improves your business' productivity and reduces break-down times.
- Investments aimed at raising customer experience and improving productivity are key to both enhancing competitiveness and achieving growth.
- Deploying modern and efficient assets and innovative technologies significantly enhances the appeal of your products for potential customers, especially if your investments are seen to be beneficial for the environment or society. In other words, are they seen as 'investments into sustainability' by your visitors?

##### Actions for your business

- Strategic investment planning is key to investing successfully. Consider making strategic investment planning an integral part of your annual overall business planning and review exercise.

- Start all investment processes with a thorough analysis. Identify what you are trying to achieve, and what investments are best suited to achieving both your operational and your financial targets.
- Listen to your customers and benchmark your business against the competition in your investment analysis.
- Do thorough market research to ensure you invest in the best assets there are to support your business objectives.
- Keep in mind that any investment planning should be complemented by a cash flow plan to ensure the required funds are readily available as and when you need them.
- Think long-term. The purchase price alone should never be the main determinant for an investment. While non-branded products/assets may be cheaper than those from reputable providers, they will likely be of lesser quality and may not perform as well, which could pose a risk to your operations.
- Base your investment decisions on four criteria:
  - Purchase price (total investment sum including all related costs such as transport and installation)
  - Operating expenses
  - Expected lifespan
  - Operational characteristics of the asset, such as operating hours after scheduled maintenance breaks and forecasts of breakdown times, etc.
- Ensure that after-sales services and spare parts for the assets you purchase are available in close vicinity to your business to avoid lengthy breakdown periods and costly interruptions to your business operations.
- Investment plans, cash flow plans and a well-documented thorough selection process will support your discussions with banks or other lenders and may decrease your cost of funds.

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## ECONOMIC

### Productivity

#### Commitment 3: Businesses innovate and have effective strategies to mitigate the effects of seasonality

##### What does this mean?

- Productivity gains can be achieved in many ways. This Commitment is focussed on the single most important structural impediment to productivity improvement within the tourism industry – seasonality.
- While some businesses appreciate seasonal demand patterns, many others can apply a number of strategies, big or small, to make a difference on seasonality, whether on their own or acting collectively.
- The individual efforts of many businesses can make a material impact on seasonality and thereby deliver gains to overall industry productivity performance.

##### How does this benefit me?

- Your businesses' productivity (and profitability) can be improved through better utilisation of capital resources and your workforce.
- Your workforce can benefit significantly with reduced seasonality – more year-round jobs, higher wages, more committed staff, higher staff retention rates and reduced costs for staff training.
- By innovating to mitigate the effects of seasonality, you can reap the benefits of that innovation in other ways – new and improved product offerings, better and more targeted marketing, and more satisfied customers.
- Your host community will benefit economically if you are able to offer more year-round permanent jobs.
- Innovative approaches to common challenges will provide your business with a strong competitive advantage.
- Creating a collaborative environment to facilitate innovative approaches to reduce the effects of seasonality can greatly enhance the above benefits for both your businesses and your collaborative partners.

##### Actions for your business

- Think outside the box. Get inspired by the cases of others in New Zealand and beyond who seem to have found a winning formula:
  - What do other businesses, sectors or regions do better than you?
  - What do other operators do better than you? What is their innovation?
  - What have other regions and sectors done to reduce seasonality? What role did innovation play? How could you emulate it?

- Keep it simple and authentic. Studies have shown that creating and offering local and authentic experiences is one of the most successful strategies to reduce seasonality.
- Innovate your marketing: Embrace the power of the internet and social media and use these channels to promote off-season offerings. 85% of all travellers nowadays make their decisions based on online content and reviews!
- Studies show that a strong and active presence on Facebook, Instagram, Twitter, Pinterest and others, in addition to your website presence, makes a significant difference for businesses and should be used in seasonality reduction strategies.
- Collaborate. Combating seasonality can be most effectively undertaken as a network of tourism operators in your region. Innovation is driven by the exchange of ideas, experiences and visions, and critical reflection.
- Work with your regional tourism organisation and engage in the initiatives they have to promote off-season travel and events.
- Consider domestic visitors as a market that can be responsive to initiatives to build off-season travel. Use TIA's [DGIT tool](#) to understand your domestic markets.
- Create knowledge. As tourism businesses, we gather extensive experience and data that provides insight into what works or doesn't work for our businesses. Ensure you systematically capture all data, experiences and observations that are relevant to your decision-making and strategy formulation.
- Sharing your knowledge with others and jointly developing innovative approaches based upon this knowledge can yield significant results far exceeding your individual efforts.
- But don't wait for others. It's your business, take charge.

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## VISITOR

### Visitor Satisfaction

#### Commitment 4: Businesses undertake visitor satisfaction monitoring, evaluation and reporting

##### What does this mean?

- Managing visitor satisfaction involves gathering and analysing visitor feedback so that you can better meet your visitors' needs and expectations.

##### How does this benefit me?

- Understanding your visitors' response to your business is one of the most important things you should do. It keeps you attuned to your customers' wants and needs, what you are doing right or wrong, and how you can improve your business.
- Understanding your visitors' response gives you greater assurance that your business' operational, development and investment plans are right.
- Positive visitor feedback is the strongest market endorsement you can get. It can form an important part of your marketing strategy.
- You can respond quickly to negative feedback, address any issues and mitigate damage.
- Your visitors' feedback helps demonstrate your value to others, including your staff, trade partners and prospective visitors.
- You can prioritise the time and money you invest in product and service development, based on what's most important to your visitors.

##### Actions for your business

- Encourage your visitors to provide reviews.
- Use positive up-to-date reviews in your online presence.
- Monitor online reviews and take them seriously - they are your most important promotional tool and strongest link to your market.
- Be open to all feedback. Avoid defensiveness, especially online, and respond constructively to negative reviews to show you are taking them seriously.
- Take a systematic approach - identify common issues mentioned in feedback and reviews before you act.
- Be aware that the information you get from reviews will likely be the 'tip of the iceberg'. Research shows that many more people share their experiences directly with their friends and family than post online reviews.

- Use structured visitor satisfaction surveying to gain a wide understanding of your customer base. Build visitor satisfaction monitoring into your normal business processes.
- Consider the costs and benefits of paying for services to assist you understand your customers better. For instance:
  - You can use commercial market survey companies to survey your visitors for you
  - Consider using a professional reputation management system – various are available online.
- Compare yourself to your competition to gauge how well you are doing – benchmarking using a common measure such as Net Promotor Score allows you to understand your relative position.

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## Product and Market Development

### Commitment 5: Businesses innovate to improve or upgrade their offering to enhance visitor experience

#### What does this mean?

- Innovation is the process of translating new ideas or inventions into a product or service that customers are willing to pay for and thereby creates value for your business.
- Inventing, reinventing and listening to your customers is what makes a company innovative.
- The process of innovating can result in new products that nobody else offers, or in redesigning an existing product to differentiate your business from the competition, and increase the customer appeal of your products and services.
- Equally, innovation can involve reducing costs or improving systems or processes while delivering the same or better visitor experience.
- This commitment focusses on innovation becoming a driver of New Zealand's tourism industry to provide outstanding experiences to our visitors, and to continue to attract the kind of visitors that we and our host communities are happy to welcome to our country.

#### How does this benefit me?

- Innovative products and services are a significant point of differentiation for your business so you can stand out amongst your competition. Studies confirm that the majority of customers are actively seeking to purchase innovative products for their holiday experiences.
- Innovations that enhance your visitors' experience will increase the happiness of your customers which in turn will result in better online and word of mouth reviews. Happy customers are your most powerful marketing tool and will lead to increased value and future bookings.
- By innovating your products and services, you will very likely improve your financial performance as visitors are willing to pay more for a better experience and your costs reduce as a result of the innovation.
- By regularly applying an innovation approach of reviewing, rethinking and redesigning your products you will be better able to meet the ever-changing needs of customers or improve your competitive positioning.
- Innovation is how you get a little 'funk' or 'spark' into your business – this is critical for differentiating yourself.

### **Actions for your business**

- Innovation starts with listening to your customers, understanding their needs and expectations, and responding to them with new or improved products and services.
- Innovations can be entirely new products or may be introduced in specific areas such as technology, processes, customer interaction, human resource management, marketing, advertising, being successful with a limited budget, or community engagement.
- Tune into the latest trends that are relevant to your business. What are the current market trends such as the shared economy or experiential tourism, what are the growth markets, what attracts high value travellers, etc.
- Only you can know where and how to innovate as your knowledge of your products, processes and customers is the key. Consider the following four scenarios to guide your innovation process:
  1. Existing customers/existing products. Innovating these products presents the lowest risk strategy but it may not be suitable to attract new markets and grow your business significantly.
  2. New customers/existing products. This is a slightly more risky approach but you will still be utilising your proven core competencies to reach new markets.
  3. Existing customers/new products. New products require careful planning and offer the potential to differentiate yourself. Make sure that your new products meet the needs of your existing customers and do not alienate them.
  4. New customers/new products. This is true growth strategy. It entails more risk than the others while offering the potential to significantly grow and diversify your business, and to make it more resilient and sustainable.
- Whichever approach you choose, remember that your chosen path will determine the resources you will need to successfully follow them through.

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## Visitor Engagement

### Commitment 6: Businesses educate visitors about New Zealand's cultural and behavioural expectations

#### What does this mean?

- Increasing visitor numbers, and the increasing cultural diversity of these visitors, means that care need to be taken to ensure that New Zealand's host communities continue to support tourism.
- While New Zealanders appreciate the value of tourism and are supportive of the industry, it is important that we actively address those areas of concern to New Zealanders.
- Equally, the vast majority of visitors want to know how they can avoid behaving in ways that do not align with *'the way things are done in New Zealand'*.
- This Commitment emphasises the duty of the tourism industry to be active in informing visitors about Kiwi norms and culture, and setting out what visitors (domestic and international) can do to be 'good travellers' as they move around our country.

#### How does this benefit me?

- By introducing our visitors to Kiwi culture and how we expect them to behave as they interact with your business and more broadly as they travel around New Zealand, we will greatly enhance the enjoyment for both our visitors and our host communities.
- By doing this, you can contribute to increasing visitor satisfaction that is key to increasing tourism value.
- As the same time, you are investing in ensuring our host communities continue to support your business and the industry generally. As well as general information, this can include targeting those issues that host communities feel most strongly about, including freedom camping, driver safety, etc.
- In taking the time to talk to your customers, you can do so in interesting ways and you can also take the opportunity to tell them about your story. Make it a 'value-add' for your visitors.
- Overall, working to ensure the 'social licence to operate' of your business and our industry is one of the most important things that we can do, individually and collectively. Think of, and nurture, 'social licence' as a key business asset.

#### Actions for your business

- Inspire. Make it a part of your usual operating routines to encourage visitors to embrace our culture and behavioural expectations by explaining how we go about things and what our values are – it is not about setting rules or policing your visitors. Keep it light and uplifting.

- Work out the key messages you want to convey – specific to your business and any other wider messages you think will be useful for your visitors.
- What is common for us may be entirely new for others. For instance, behaviours that you or your host communities may perceive as unacceptable may be the result of not knowing the local customs and simply following one's own culture. In most cases, a friendly remark will be all that is needed to stop such behaviour.
- Don't be shy to intervene and educate when you see the need. Do so in a positive way by sharing how things are done the Kiwi way – this way your visitor will likely be grateful for your friendly advice.
- Be aware that visitors can confuse our friendliness as permission to behave as they please. This makes it important to explain that Kiwis are welcoming people, but that being considerate and respectful of our culture and country are attributes we expect from Kiwis and international visitors alike.
- Remember that the greater the cultural difference between your visitors and the New Zealand culture, the more important it becomes that you engage with your visitors to close that gap.
- Educate yourself and your staff about the cultural background of your visitors. Not only will this help you to serve them better, but it will also enable you to address cultural differences that are specific to particular visitor groups.

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## HOST COMMUNITY

### Sustainable Employment

#### Commitment 7: Businesses pay a fair wage to all staff

##### What does this mean?

- This Commitment is focused on the need for the tourism industry to position itself as an employer of choice.
- Central to this is the requirement that tourism businesses invest in the people they employ to operate the industry.
- Fair wage is established as the desired standard, with 'fair' being a subjective level based on paying staff appropriately for the skills and attributes they bring to their duties. It signals that all tourism staff should be paid above the minimum wage, but equally that all staff, regardless of their roles or seniority, are to be paid appropriately for their skills and responsibilities.
- At an industry level, the increasing professionalism of the industry will be driven by the quality of the people that it can attract to work within it. At a time of tightening migration policies, investing in locals to work in the tourism industry is crucial for the industry's future.

##### How does this benefit me?

- What sets New Zealand's tourism industry apart is the combination of our natural and man-made attractions, and our friendly and welcoming attitude. The blend of both is what defines the experience of visiting New Zealand. The workforce of our industry plays a crucial role in delivering that experience, and recognising and remunerating this contribution is key to sustaining overall industry success.
- By ensuring you are paying fair and competitive wages you can compete with other industries for the qualified and skilled labour that your business needs to effectively operate. Through paying your staff fairly, you reduce your staff turnover and boost motivation and commitment amongst your workforce.
- Having a skilled and dedicated workforce is closely associated with increased productivity and customer satisfaction levels. On the other hand, a workforce built around seasonal or low paid staff can drain a business of invaluable operational knowledge and the potential to innovate.
- A committed and motivated workforce will contribute positively to the experience of your visitors, which will be reflected in customer reviews and ultimately in your sales performance.
- A skilled and dedicated workforce provides the foundation for growth, innovation and staying ahead of your competition. Such a workforce can only be established if salaries are attractive and competitive.
- Paying fair wages establishes your business as a positive and committed member of your community and contributes strongly to securing the social licence that your business and the tourism industry requires to operate successfully.

## Actions for your business

- View your staff as the most important asset of your business and remunerate accordingly. Fair wages should be the minimum to aim for.
- Recognise the power of a skilled, dedicated and well remunerated workforce to be the foundation for the growth, innovation and competitiveness of your business.
- Achieve tangible returns from paying fair wages by getting the most out of your staff. In tandem with paying fair wages, train, develop and empower your staff, and create an environment that fosters a strong sense of task ownership, individual initiative and innovation.
- Enhance the value of your employees to your business. Review all job descriptions on a regular basis to correspond with your strategic targets and the rising skill levels of your staff, and include tasks that will contribute to achieving your strategic goals in addition to routine tasks.
- This could be as simple as including monthly reporting of observations and suggestions in every staff member's job description. Not only will this provide you invaluable information about your business and staff, it will also help you to identify your most talented and committed employees.
- To maximise the benefits of a skilled workforce, make a critical review of your recruitment needs part of your annual business and strategy planning exercise.
- Act now and make a difference. For instance:
  - Review all positions in your business that are currently remunerated below the living wage and evaluate the cost and benefits of paying the living wage as a minimum to all your staff.
  - Consider the importance of your staff through the remuneration spectrum, particularly in light of the competition for the talents that exist for these skills and adjust their wages accordingly.
- Your staff costs are a major component of your overall business cost structure. This makes it important that you manage your workforce well. In most cases, seeking to achieve the smallest wage bill possible will not deliver the best outcome for your business.
- Treat your workforce as an asset to drive your success.

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## HOST COMMUNITY

### Quality Employment

#### Commitment 8: Businesses support their workforce to flourish and succeed

##### What does this mean?

- The tourism industry creates valued experiences as people visit places, do activities and interact with people. This means that the interface between visitors and people working in tourism is of utmost importance. Without a skilled workforce, the tourism industry cannot grow and flourish.
- Quality employment covers a wide range of factors that can enable tourism to be an employer of choice in a competitive marketplace for people and skills. These include: employment conditions, job security, professional development, skill retention, managing seasonality, and remuneration levels, amongst others.
- Cost should not be the main criteria for recruitment. The focus should be on the long-term benefits from attracting, supporting and retaining talented and motivated staff.

##### How does this benefit me?

- A qualified and motivated workforce is an invaluable resource for your business.
- Staff with deep knowledge and experience of your business can play an important role in many aspects of your operation, whether in product development, client interface, internal processes, productivity improvement, cost management or innovation.
- Studies consistently show that training, staff motivation and staff retention are key contributors to sustained business success.
- The benefits most often outweigh the additional cost incurred for training and professional development.
- Dependency on seasonal and especially foreign seasonal staff presents a risk and makes your business vulnerable to external factors such as immigration policies. Attracting and retaining a permanent workforce mitigates this significant risk.

##### Actions for your business

- Value your staff as key assets of your business and treat them accordingly. Create an enjoyable workplace with a conducive atmosphere to performing well.
- Ask yourself whether you would want to work for your own business at the conditions you offer? If not, consider what you need to do to put in place the conditions that would work for you.
- Create a distinct company culture that sets your business apart from other employers and use this as a driver for motivating and retaining your workforce.

- Loyalty, trust, knowledge sharing, joint problem solving, a no-blame-approach, sharing values and sharing benefits are usually at the centre of a strong company culture. You may have your own ideas about what works best for you.
- Actively encourage the sharing of ideas and knowledge, and allow constructive criticism. Take action against a blame-culture within your team.
- Inspire your staff to show initiative and make suggestions, and reward those who stand out in doing so.
- Have written role descriptions for every position in your business – make it clear what you expect from your employees, and what they can expect from you.
- Standardise all processes in your business by means of standard operating procedures (SOPs) to make your business system-dependent instead of people-dependent:
  - By clearly defining and delineating duties and responsibilities, you will provide your staff with clarity around their duties while ensuring tasks are efficiently carried out to a high standard
  - Standardising work flows reduces stress in the workplace that often results in demotivation, poor performance and accidents
  - Empower your staff. Make them task owners and make a periodic review and suggestions for improvement of the processes they 'own' part of their duties. Not only will such empowerment motivate your staff, it will also continually strengthen your workflows and improve your performance.
- Conduct annual performance reviews with care and diligence to demonstrate to your staff that you care. Include goal-setting for the next review period. Consider how you can incentivise staff who have met or exceeded their professional goals for the past review period.
- Send your staff for expert training on new skills that are relevant for your business. This creates value for both your staff and your business.
- Ensure you have strong induction processes in place for new staff to ensure ongoing consistency of service delivery and to support retention of these staff.
- Always practise leadership by example. By 'walking the talk' first, you will inspire and motivate your staff and reduce the risk of disengagement amongst your workforce.

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## HOST COMMUNITY

### Community Engagement

#### Commitment 9: Businesses actively engage with the communities in which they operate

##### What does this mean?

- Tourism takes place in the backyards of New Zealanders. This makes it essential that tourism operates to ensure communities continue to be welcoming hosts to our visitors.
- Host communities contribute to tourism in many important ways, including as friendly hosts to our visitors and as providers of many of the amenities that visitors use on their travels.
- In turn, tourism benefits host communities through providing employment and business opportunities, higher levels of locally-provided goods and services (cafés, petrol stations and the like), and more interesting and vibrant places for locals to enjoy.
- This Commitment highlights the need for tourism to acknowledge the importance of host communities to our industry and for operators to act in a range of ways to engage with host communities to engender ongoing support.

##### How does this benefit me?

- Having a welcoming and friendly host community creates a positive environment for your business to operate.
- Having happy visitors is essential to creating value in tourism. The interface between visitors and locals is a key part of the complex dynamic that influences the visitor experience. Visitors often come to New Zealand for the environment and scenery, but leave talking about the great people they have met.
- Without community support, many tourism businesses will be more difficult to operate and may face barriers to development, including less local government support and more stringent planning processes, etc.
- By engaging with your communities and sharing the benefits of tourism activity, you can create a positive relationship that will enhance your 'social licence to operate' and contribute to the wider industry's standing in the eyes of the New Zealand public.

##### Actions for your business

- Acknowledge your host community as a key business asset - as you do with your other business assets such as your staff, property, and equipment. Make community engagement an integral part of your planning and decision-making processes.

- Identify those areas of your business that rely on your host community and select the most appropriate ways to engage with them on these areas.
- Use approaches to engaging with your host communities that can vary from low to high intensity, for instance:
  - **Inform** your host communities of what you are doing and why
  - **Consult** with your host community to obtain their views and feedback on the things you are planning or doing that may impact your community
  - **Involve** your host community to make them active contributors to the things you are doing and where you need your community's contribution, support or agreement
  - **Collaborate** with your host community, particularly when community-based or destination-related matters are involved.
- Work to establish and strengthen trust and shared values with your communities. Focus on an effective exchange of information to keep your host community informed of your plans and ambitions. Regular and reliable communications, initiated by you, will be key to achieve this.
- Be an active and positive member of your community and get involved in wider activities within your community – sports clubs, restoration initiatives, community groups, etc.
- Be prepared to provide sponsorships in cash or kind or person-hours to community activities.
- Get involved with your local community boards or council so that these essential functions are well informed of tourism-related matters. Make submissions to your council's plans and strategies that concern tourism and become an advocate for sustainability.
- Give preference to local recruits when you employ new staff, and buy local goods and services where you can.

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## HOST COMMUNITY

### Sustainable Supply Chains

#### **Commitment 10: Businesses have socially and environmentally sustainable supply chains**

##### **What does this mean?**

- The objective of supply chain sustainability is to create, protect and grow long-term environmental, social and economic value for all stakeholders involved in supplying and consuming our products and services.
- All products and services we consume have a carbon or waste footprint in some form. What and how we consume matters to the environment!
- Social sustainability of the products and services we consume is equally important - for both host communities and visitors. Studies show that travellers prefer locally made products as part of an authentic holiday experience.
- This Commitment highlights the importance of responsible supply chain management for every purchase we make. While your products and services may be sustainable, unless your inputs are also sustainably produced you cannot be truly sustainable yourself.

##### **How does this benefit me?**

- By ensuring you have sustainable supply chains, you can gain multiple benefits – better engagement with your local communities and the commercial sector, less waste, less carbon and energy consumption, and potentially lower costs.
- You also have a story to tell your customers – this adds to the authenticity of your brand.
- Sustainability sells. As studies show, visitors increasingly prefer to consume local products, want to consume responsibly, and appreciate your efforts to be sustainable.

##### **Actions for your business**

- Do business with people and businesses that do things the right way, and avoid those who don't.
- The easiest way to get started is to:
  - Source your products locally, regionally and nationally before resorting to imported goods. Sometimes you will have no choice but you would be surprised how much can be sourced locally or regionally.
  - Let your suppliers and potential suppliers in your region know what you need and what you expect. Involve them in your efforts to be sustainable while providing business opportunities to local enterprises.
  - Consider teaming up with other tourism business to create the purchasing power that will motivate producers and suppliers to follow your sustainability efforts.

- Develop a 'green' purchasing policy. Consider where and how your goods were produced, and how much waste they will produce at the end of their useful life:
  - Aim to buy only fully recyclable or compostable goods
  - Avoid a product when you cannot determine its origin or whether it has been produced responsibly. If in doubt, look for a substitute.
- Be systematic in what you do:
  1. Develop your business' sustainable purchasing standards and goals, which will also serve as your policy for suppliers and customers. The details are up to you but you should at least be looking at some basic indicators of sustainable operations of your suppliers, such as environmental impact, waste disposal, energy use, employee and community social factors. Make a policy and stick to it.
  2. Communicate your objectives to your suppliers.
  3. Apply your policy criteria to all of your purchases:
    - This step involves 'Lifecycle Analysis' for all main purchases, taking into account all environmental impacts of a product from its production to its disposal. Questions could include: are the goods I purchase manufactured in an environmentally sound manner and are they fully recyclable or recoverable without causing adverse impacts?
    - Find out about the environmental and social performance of your suppliers. Ask to see their sustainability policies or details of their operations.

Questions about environmental practices could include: how much solid waste is generated in the production process, how much does the supplier recycle, how much energy is used, how much waste water is produced and how is it treated?

Questions about social practices could include: where are the goods and the input materials produced, how much local/regional/national content is involved, how local businesses benefit from being your supplier, will local jobs be created and does the host community benefit?
  4. Identify unsustainable products and services, or suppliers. Substitute products and services or suppliers that do meet your requirements.
- Become an agent of change. Encourage your suppliers to raise their standards if they do not meet your criteria.
- Tell your visitors and host communities about your efforts. Include details of your efforts in all your online content as these are the details that potential visitors are increasingly looking for.

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## ENVIRONMENT

### Ecological Restoration

#### Commitment 11: Businesses contribute to ecological restoration initiatives

##### What does this mean?

- The natural environment is the cornerstone resource of the New Zealand tourism industry, and it can be impacted by tourism and other human activities.
- As a first principle, this Commitment declares that tourism businesses all have an interest in protecting, restoring and enhancing New Zealand's natural environment and biodiversity.
- In short, it means that all tourism businesses are purposefully taking actions that will benefit nature, with the overarching objective to establish a strongly positive relationship between the tourism industry and New Zealand's natural environment.

##### How does this benefit me?

- Protecting and enhancing the natural resources of the tourism industry is closely linked to the long term success of the industry and therefore of all tourism businesses.
- By acting as a champion for New Zealand's natural environment, there is opportunity to work with other industries and interest groups to encourage them to raise their standards, which will generate benefits for tourism as the overall quality of the environment improves.
- By taking actions to support ecological restoration, you are creating a narrative that can add value to your business proposition – increasingly customers are informed and looking for businesses that are contributing positively to the environment.
- Contributing to ecological restoration is a powerful way to establish to New Zealand communities that tourism is a responsible and sustainable industry, thereby making a positive contribution to the 'social licence' position of the industry.
- Embedding this approach into your culture will help keep quality staff inspired and committed to your business.

##### Actions for your business

- Develop a plan of attack for your business and your operating context – what works for you.
- Think about how you can minimise the ecological footprint of your business and any new business proposals – the more you minimise impact, the less you need to mitigate or restore.

- Get in touch with your local Department of Conservation office, local and regional authorities, private landowners and community projects to see if they have actual or potential projects you could link up with. Opportunities are often plentiful and can include sponsorship of programmes or restoration projects, species sponsorship, taking responsibility for a patch of land, running trap lines, and assisting Department of Conservation staff in doing their jobs.
- Adopt your local operating environment as your backyard and commit to looking after and doing whatever is needed to keep this environment healthy.
- Pay attention to the regulatory processes that impact the environment, whether these are local or central government. Talk with the decision makers, write submissions and lend your weight as a voice for nature. Note that TIA usually submits on national issues and bigger regional topics. Keep an eye on T-Mail and [TIA's website](#) and provide your views in support of TIA submissions.
- Think of innovative ways that you can combine your commercial, community and environmental interests so each can benefit. Brainstorm with other operators for inspiration.
- Get your staff involved and make caring for nature a part of the DNA of your business.
- Work out ways to measure what you do – having evidence that you are making a difference is important for sustaining momentum.
- Tell others about what you are doing and the difference it is making – inspiring other businesses to do what you do will make a big difference.

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## Carbon Reduction

### Commitment 12: Businesses have carbon reduction programmes towards carbon neutrality

#### What does this mean?

- The production of virtually everything we use generates atmospheric carbon dioxide, the greenhouse gas that contributes heavily to climate change.
- Given the long lead time to effect change, it is of critical importance that countries and industries around the world play their part immediately to reduce carbon emissions.
- As a substantial contributor of carbon emissions, particularly because of the transportation involved, the tourism industry has a key role to play in reducing these emissions.
- By demonstrably reducing our carbon footprint, we can grasp opportunities from low carbon activities and alignment with changing visitor expectations, and thereby futureproof our industry.

#### How does this benefit me?

- Reducing carbon emissions benefits the environment for everybody.
- Your business will enjoy direct benefits from your carbon reduction efforts. By measuring and understanding your carbon generation, and implementing improvements to processes and equipment, you will achieve cost savings. Energy is expensive – the less you use, the more you save.
- Your customers are increasingly expecting the businesses they deal with to be reducing carbon emissions. Being able to demonstrate your carbon reduction programme can differentiate you in the market and add value to your products or services.
- Reducing your carbon footprint now means your business is well positioned for the future. You will be prepared for new requirements and recognised as a responsible and forward-thinking enterprise.

#### Actions for your business

- While every business is different, carbon reduction can be achieved in these general areas:
  - Transportation
  - Energy use
  - Products purchased
  - Services purchased
  - Waste

- Measure the carbon you use in your business. Consider using an online carbon calculator to get an idea of your carbon use. You could also get professional assistance.
- Review your operational processes. You are likely to find many ways you can reduce energy, fuel and consumption patterns.
- Establish standard operating procedures for all these processes to ensure they are consistently carried out in the most efficient manner.
- Review your equipment, vehicles, vessels, etc. and consider ways to reduce their fuel consumption.
- Consider new ways of doing business. For example, might electric vehicles suit your operations? Experiment to find out what works best for your business.
- Ensure all energy-consuming equipment, vehicles or vessels are well maintained, and switched off when not in use.
- Reduce/avoid waste at the time of purchasing (refer to Commitment 10 'Sustainable Supply Chains'), and avoid organic waste going to the landfill.
- Ask your suppliers and service providers about their carbon reduction practices and engage with them to reduce their carbon footprints.
- Investigate how carbon offsetting can help you achieve carbon neutrality:
  - Compensate for your carbon production by financially contributing to carbon offset schemes.
  - Support carbon sequestration programmes like tree planting or wetland restoration (carbon sequestration is the long-term storage of carbon to mitigate its effects on the climate).
- Get expert advice on how to best proceed for your business. There is expertise you can tap into – you don't have to develop all the expertise yourself.
- Publicise your carbon reduction efforts on your website and on social media to become an inspiration for others and support visitors in their decision-making.

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## ENVIRONMENT

### Waste Management

#### Commitment 13: Businesses have waste reduction and management programmes.

##### What does this mean?

- Waste presents a significant burden on our environment and forms an important part of the environmental footprint of many tourism businesses.
- Managing our waste with the objective to reduce or eliminate residual waste ending up in landfill should be everybody's goal.
- This Commitment acknowledges the importance of the tourism industry taking an active approach to manage our waste with the objective to reduce, recycle and recover as much as possible.

##### How does this benefit me?

- Managing our waste responsibly benefits everybody - you, your customers, your business, your community, the environment and the atmosphere.
- You can reduce your waste footprint through improved purchasing and by better handling the waste you do generate by recycling, treatment and composting, with only the residue going to landfill.
- Reducing your waste usually translates into cost savings from reduced purchasing needs and reduced waste disposal costs.
- By being better at managing waste and reducing the footprint of tourism, you can establish a leadership position and showcase this to your visitors and the New Zealand public.

##### Actions for your business

- Review the goods you purchase for their potential impacts: how they are packaged; how much wastage you experience from them; and how much ultimately ends up as landfill. Identify the worst 'offenders' and make them your first targets for corrective action.
- Reduce waste at the point of purchasing. You may be surprised how much packaging materials and non-recyclable waste you may be able to reduce simply by making this goal an integral part of your purchasing decisions.
- Take a systematic approach to managing and reducing your waste: establish the quantum of waste your business produces and how much of it goes to landfill; set reduction targets; monitor your progress and evaluate your efforts.
- Establish a purchasing policy based on Commitment 10 'Sustainable Supply Chains' and avoid purchasing goods that are not compostable, recyclable or otherwise recoverable.

- Source your goods locally as much as you can. Doing this is likely to reduce your waste significantly as your goods will not require packaging for long-haul transport and re-usable packaging methods can be deployed.
- Communicate your requirement to reduce non-recoverable waste to all your suppliers. Consider discontinuing ordering goods from suppliers or supply chains that do not support your efforts to be sustainable.
- Avoid green waste, kitchen waste and other biodegradable waste going to landfills. The organic matter is packed with nutrients that belong back in the natural cycle, not in landfills.
- Aim to compost all of your organic waste and if you can't do so, there are likely to be happy takers for it in your community provided it is free from other waste and contamination.
- Reduce packaging materials as much as possible at the point of purchasing, especially plastics and packaging made from multiple materials that cannot be recycled and end up in landfills.
- Consider stopping the use of single-portion packaged items, from sugar sachets to miniature toiletries. Aim to substitute them with locally produced sustainable alternatives without excessive packaging – you may be surprised how positively your customers will react.
- Ensure that all your hazardous waste is separated, safely stored and disposed of properly and in a compliant manner. Do not put hazardous waste in your kerbside rubbish or recycling bin.
  - Hazardous waste includes all waste that is toxic, flammable, explosive, corrosive and radioactive.
  - Common examples include paint waste, solvents/thinners, pesticides, used oil and grease, batteries, bulbs, fluorescent tubes, most chemicals and gas cylinders.
  - Check your local council's website for authorised collection and disposal facilities and service providers in your region.
- Practice leadership by example and report your progress and achievements to your staff, your community and your visitors.

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## ENVIRONMENT

### Education

#### **Commitment 14: Businesses actively engage with their visitors and communities on the importance of restoring, protecting and enhancing New Zealand's natural environment**

##### **What does this mean?**

- New Zealand's natural environment is the key attraction drawing visitors to our country, and is an important driver for New Zealanders travelling domestically.
- The tourism industry enjoys the privilege of using these natural resources for business purposes. This must be done in a responsible manner.
- This creates the tourism industry's 'duty of care' for these environmental resources as a core responsibility.
- This Commitment focusses on the need to be active in educating our visitors and communities of this responsibility and our actions in sustaining these natural resources for future generations.

##### **How does this benefit me?**

- By playing your part in restoring, protecting and enhancing New Zealand's natural environment you are protecting the core asset of our industry and your part within it.
- By engaging with visitors and your communities on how important it is to you to look after New Zealand's nature, the challenges faced and what you are doing about it, you can accomplish three important things:
  1. You are creating a story that will be of interest to your visitors and which will contribute strongly to the authentic and interactive experience they have with your business. This is a value-add for your visitors and for your business. You can actually get your visitors involved in your projects.
  2. You are positioning yourself and the wider industry as a positive contributor to nature in the eyes of the communities in which you operate. This is really important for maintaining and building community support for your business and for tourism generally – also described as 'social licence to operate'.
  3. You are positioning yourself to inspire others within tourism and more broadly about your values and actions, and that they should get on board also.
- By bringing your visitors and communities on board with your work to support the natural environment, you can both enhance your business's commercial position and generate meaningful gains for the environment.

##### **Actions for your business**

- Decide what your story or point of difference is – what is the narrative that you want to take to your visitors and to your communities.

- Choose how you engage and be clear what you want to achieve. You could aim to comprehensively inform your visitors and create awareness, but you could also aspire to make your visitors active contributors and let them take part in your efforts.
- Take on board the values of the Tourism Sustainability Commitment: Kaitiakitanga, Manaakitanga and Whanaungatanga. They contain a holistic perspective on looking after nature, visitors and the people in tourism.
- Start with explaining the concept of Kaitiakitanga - guardianship for the environment - how it originates from Maori culture and is ingrained in our country's values, and how it aligns to your business' efforts. Details like this will make your sharing of information more interesting and credible to your visitors. You are telling a story that inspires your audience.
- Know your 'green space' and become its social voice. Familiarise yourself with the flora and fauna in your area (your 'green space'), its vulnerability and the on-going protection or restoration efforts so you can convincingly share your knowledge with your visitors.
- Inspire your visitors to emulate your appreciation for the environment by sharing your knowledge of the local fauna and flora, what the dangers are, and what efforts are being taken to protect them. Creating such awareness will lead your visitors to appreciate the environment in your area and motivate them to act responsibly.
- Familiarise yourself with the conservation programmes of the Department of Conservation. It will provide you with valuable insights that you can include in the narrative for your visitors, enriching their experience.
- Think outside of the box and make protection or restoration of your 'green space' part of your products and visitors' experience. Visitors increasingly enjoy participating in activities that connect them with nature in a meaningful manner, and seek to feel 'good and right' as part of an authentic and interactive holiday experience.
- Lead by example - share what you do. Nothing adds more credibility to your sharing of information and efforts to inspire your visitors than your business's own commitment and successes (see Commitment 11: Ecological Restoration).

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