

COMPETITIVE ADVANTAGES OF SUSTAINABLE AND REGENERATIVE BUSINESS PRACTICES

February 2025



**EXPLORE HOW SUSTAINABLE
AND REGENERATIVE
BUSINESS PRACTICES CAN
SUPPORT BUSINESS
PROFITABILITY AND
COMPETITIVENESS AS WELL
AS ENHANCING
QUEENSTOWN'S
DESTINATION APPEAL.**

As one of New Zealand's premier visitor destinations, Queenstown attracts millions of visitors annually and showcases the best of NZ tourism. Ensuring a long and prosperous future for both the industry and the destination is imperative. Sustainable and regenerative practices in tourism are not just beneficial to this goal but crucial for maintaining destination appeal and ecological integrity.

This report outlines the competitive business advantages of implementing sustainable practices that ensure long-term viability, profitability and prosperity for businesses in the region.



INTRODUCTION

The tourism industry's impact on the Queenstown lakes district has been profound, contributing significantly to its economy but also placing strain on its natural resources, built infrastructure and resident community.

With the global shift towards sustainability, Queenstown has the opportunity to stand at the forefront, ready to transform challenges into opportunities by adopting practices that support the goal of regenerative tourism by 2030. This approach aligns with global sustainability trends and resonates with the values of a high contributing visitor mindset, prioritising destinations aiming to manage their place responsibly across economic, environmental and social/ cultural pillars.

This document explores how Queenstown Lakes' businesses can embed sustainability into their core operations. This approach positions Queenstown to meet current traveller expectations and regulatory requirements while anticipating future trends, establishing it as a global leader in destination stewardship. By embracing this direction, Queenstown will continue to thrive as a destination renowned for its natural beauty and sustainable practices, securing its legacy for generations to come.

COMPETITIVE ADVANTAGES

1

FUTURE PROOFING BUSINESS PROFITABILITY

2

SECURING CAPITAL AND ATTRACTING INVESTMENT

3

OPTIMISING BUSINESS RESILIENCE AND EFFICIENCY

4

GETTING AHEAD OF REGULATORY PRESSURES

5

MEETING CONSUMER DEMAND

6

SUPPORTING TALENT RETENTION

7

ENHANCING SOCIAL WELLBEING



THE IMPERATIVE

Over the last decade, 42% of leading global tourism businesses have set climate targets (WTTC Net Zero Roadmap for Travel and Tourism). Now, new standards are moving from voluntary to mandatory, impacting every level of operation. By embracing sustainability collectively, tourism businesses in New Zealand can strengthen destination appeal, meet global standards, prepare for future requirements, reduce impact on the environment and communities they take place in and address shared challenges across the sector.

THE OPPORTUNITY

Regenerative and sustainable business practices present a significant opportunity for the Queenstown Lakes' tourism industry to lead in a global market that is increasingly focused on environmental responsibility. By integrating sustainability, businesses can not only reduce operational costs and enhance resilience but also attract responsible, aligned travellers, unlock financing, and enable strong community relationships resulting in enhanced social license.

This shift offers a unique chance to differentiate in a crowded global market, enhance brand loyalty, and create new revenue streams through green innovations and partnerships. Regenerative and sustainable practices position businesses for long-term development, helping them to meet evolving consumer demands, regulatory expectations, and contribute to the overall appeal of Queenstown and New Zealand as a destination. Embracing these practices is a smart, future-oriented strategy that aligns profit with purpose, enabling storytelling and activating business to thrive in a changing world.

SUSTAINABLE VS REGENERATIVE?

The terms “sustainable” and “regenerative” are often used interchangeably, but there are fundamental differences in what they mean and their outcomes.



SUSTAINABLE

Sustainable practices are those that meet the needs of the present without compromising the ability of future generations to meet their own needs. They focus on balancing environmental, social, and economic factors to ensure long-term well-being. This often involves using resources efficiently, reducing waste, and minimising pollution.



REGENERATIVE

Regenerative practices go beyond sustainability by actively restoring and improving ecosystems and communities. They aim to create systems that are not just sustainable but also contribute to the health and well-being of the planet and its inhabitants. This often involves working with natural processes to enhance biodiversity, improve soil health and reduce carbon emissions.

FUTURE PROOFING BUSINESS PROFITABILITY

COST SAVINGS THROUGH ENERGY AND RESOURCE EFFICIENCY

Switching to energy-efficient technology, like LED lighting, solar energy, and energy management systems, is a proven way to reduce operational costs. In New Zealand, Rewiring Aotearoa estimates that electrifying households and integrating renewable solutions could collectively save \$10.7 billion annually by 2040 (Rewiring Aotearoa, 2024). For tourism businesses, this means reduced utility expenses and increased resilience to energy price fluctuations.

REDUCING WASTE COSTS

Waste management practices like composting, recycling, removing single-use items, and implementing circular economy principles (where materials are reused instead of disposed) can cut waste costs and create value from recyclable materials. Businesses implementing circular economy practices have seen 20% reductions in operational costs (World Economic Forum, 2023) and mitigate the financial impact of increasing landfill costs.

STAYING AHEAD OF COMPLIANCE WITH CHANGING REGULATION

Keeping ahead of regulations around sustainability helps businesses avoid fines and penalties. For instance, New Zealand's Climate-Related Financial Disclosures Act mandates climate risk disclosure for large entities, setting a precedent that could soon apply to smaller businesses. Proactively meeting these standards positions businesses as leaders while avoiding future compliance costs (MBIE, 2021).

INCREASED CUSTOMER LOYALTY AND SALES

Sustainable or regenerative practices boost customer loyalty and drive sales. According to Booking.com's Sustainable Travel Report (2023) 43% of travellers are willing to pay more to support certified sustainable travel options which can lead to increased bookings and customer loyalty (Booking.com). In the travel and tourism industry, this translates to being able to maintain current sustainability initiatives and as well as enable revenue to be directed into further sustainable and regenerative tourism projects.

OPTIMISING BUSINESS RESILIENCE AND EFFICIENCY

BUILDING RESILIENCE TO INCREASINGLY FREQUENT DISRUPTIONS

The COVID-19 pandemic and recent global climate events exposed vulnerabilities in tourism and the global trade networks. New Zealand is situated in a highly geologically active region, increasing its susceptibility to major seismic events, such as a high magnitude earthquake caused by the rupture of the Alpine Fault along the Southern Alps. Through adopting sustainable or sustainable or regenerative practices, such as adding solar to ensure consistent power supply businesses can better weather disruptions, both environmental, economic, and geopolitical. Completing a risk report, outlining scenarios for climate and natural disaster events, supply chain disruptions, and economic shifts can help businesses adapt, reduce risks, and ensure continuity.

EFFICIENCIES THROUGH TECHNOLOGY AND INNOVATION

Technology streamlines operations, reducing resource waste and aligning with consumer demand for eco-friendly practices. Artificial Intelligence (AI), Internet of Things (IoT), and advanced data analytics can track environmental and social business impact in real time, allowing businesses to make more informed decisions (McKinsey, 2024). Automation can also reduce costs and helps personalise customer experiences, boosting efficiency and competitiveness.

SECURING CAPITAL AND ATTRACTING INVESTMENT

ENHANCED ACCESS TO FUNDING

Businesses with strong sustainability practices are more attractive to investors. Investors are prioritising businesses perceived as lower-risk due to their future-focused approach (World Travel and Tourism Council, 2024). Businesses that adopt sustainable or regenerative practices can tap into green financing, such as green bonds and sustainability-linked loans, which often come with lower interest rates.

SECURING CAPITAL AND ATTRACTING INVESTMENT (CONT.)

TRANSPARENCY BUILDS INVESTOR CONFIDENCE

Increased transparency through mandatory reporting frameworks or accreditations help businesses share trusted information with investors and stakeholders. According to the Glasgow Financial Alliance for Net Zero, businesses with credible sustainability targets and transition plans will have access to better financial terms and products, while those that do not may face higher costs and potential constraints (Glasgow Financial Alliance for Net Zero, 2024).

OPPORTUNITIES FOR PARTNERSHIPS AND STRATEGIC GROWTH

Tourism businesses with robust sustainability credentials often attract partnerships with like-minded organisations. This opens opportunities for joint projects, brand collaborations, and green financing options. Strategic partnerships with sustainability-aligned brands elevate business reputation, making it easier to access support for sustainable projects and increase social license within the community.

INCREASING REGULATORY PRESSURES

AVOIDING GREENWASHING THROUGH MANDATORY STANDARDS

There are ongoing efforts internationally, particularly in EU, to solidify mandatory disclosure requirements that promote transparency and accountability to ensure businesses are operating on a level playing field, reducing the risk of greenwashing and providing transparency for consumers. By adhering to clear, mandatory and voluntary frameworks and standards that are embedded in global best practice, businesses can build trust and meet the growing demand for accountability.

GLOBAL SUSTAINABILITY STANDARDS AND CONSISTENT REPORTING

The International Financial Reporting Standards (IFRS) Foundation launched the International Sustainability Standards Board (ISSB) at COP26 in 2021.

INCREASING REGULATORY PRESSURES (CONT.)

GLOBAL SUSTAINABILITY STANDARDS AND CONSISTENT REPORTING (CONT.)

In 2023, the ISSB introduced its first two standards: General Requirements for Disclosure of Sustainability-Related Financial Information (IFRS S1), for general sustainability-related financial disclosures, and Climate-Related Disclosures (IFRS S2), focused on climate-related disclosures. These standards include sector-specific guidelines for industries such as hotels, airlines, cruise lines, and leisure facilities.

Notably, third-party assurance of these disclosures is not mandatory, and its requirement will depend on national jurisdictions. Each country can decide whether to mandate the use of ISSB standards and if assurance is necessary.

These standards promote transparency and allow businesses in New Zealand to align with global best practice and benchmarks, making it easier to gain international credibility and investor trust.

NEW ZEALAND'S CLIMATE-RELATED DISCLOSURES

Governments and financial institutions are increasingly requiring businesses to disclose their sustainability practices, with mandatory regulations replacing voluntary frameworks in many cases. This shift is particularly evident in greenhouse gas (GHG) emission reporting, where businesses must provide transparent data on their environmental impact.

New Zealand was among the first to introduce mandatory climate-related financial disclosures, requiring large businesses to report climate risks in alignment with the Task Force on Climate-Related Financial Disclosures (MBIE, 2021). From 2023, large financial institutions, listed businesses, and Crown financial entities must disclose their climate-related risks in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. To support this, the External Reporting Board (XRB) published the Aotearoa New Zealand Climate Standards in December 2022, which are closely aligned with both the TCFD framework and the International Sustainability Standards Board (ISSB) exposure drafts.

MEETING CONSUMER DEMAND

CATERING TO RESPONSIBLE TRAVELLERS

Today's travellers are more aware of their environmental impact. According to Booking.com's 2023 Sustainable Travel Report, 61% of travellers actively look for sustainable options, while 81% believe sustainable travel is essential (Booking.com, 2023). Queenstown's appeal as a destination working toward regeneration strengthens when businesses align with these values, capturing a growing segment of visitors with a high contributing mindset.

STRENGTHENING BRAND LOYALTY AND DIFFERENTIATION

Sustainable businesses stand out, especially among Millennials and Gen Z, who prioritise brands aligned with their values (Deloitte, n.d.). 62% of consumers globally expect businesses to lead on sustainability issues and practices (Accenture, n.d.). Sustainable or regenerative practices build trust, attracting loyal customers willing to spend more on ethical brands.

DRIVING INNOVATION THROUGH SUSTAINABILITY

Embracing sustainability opens the door to new and innovative practices like renewable energy, electric machinery, circular economy models, and diversification of offerings. Phocuswire highlights that travellers increasingly seek eco-friendly options, making sustainability a powerful unique selling proposition for tourism businesses. Innovation in sustainable or regenerative practices not only strengthens competitiveness but can reduce costs and spark fresh, unique offerings.

SUPPORTING TALENT RETENTION

CREATING A PURPOSE DRIVEN WORK CULTURE

Employees in sustainable organisations report higher satisfaction, feeling motivated by a sense of purpose beyond profit. McKinsey reports that 82% of employees believe company purpose is essential to job satisfaction (McKinsey, 2024). A purpose-driven culture enhances productivity, loyalty, and commitment, supporting a healthier, more collaborative workplace.

SUPPORTING TALENT RETENTION (CONT.)

ATTRACTING TALENT ALIGNED WITH COMPANY VALUES

Regenerative and sustainable business models attract employees who prioritise social responsibility and environmental stewardship. LinkedIn's Global Talent Trends report found that 87% of millennials consider a company's commitment to environmental and social responsibility when deciding where to work (LinkedIn, n.d.). This value alignment boosts recruitment efforts and enhances employee loyalty, increases workplace culture, reducing turnover and building long-term commitment.

ENHANCING SOCIAL WELLBEING

STRENGTHENING COMMUNITY INVOLVEMENT AND SOCIAL LICENCE

Tourism businesses and destinations that engage local communities in destination management build trust and ensure a shared vision for destination development. This involvement ensures tourism outcomes reflect local priorities, creating a sense of shared ownership. A regenerative focus can further strengthen community support of local businesses, employing local talent, and promoting conservation efforts. Research shows that 74% of global travellers believe that sustainable travel is essential, with many wanting tourism to support local communities (Booking.com, 2023). By reinvesting tourism revenue into local infrastructure, education, and conservation, sustainable or regenerative practices improve the quality of life for residents, fostering social capital and reducing tensions between locals and tourists.

PROMOTING INTERGENERATIONAL EQUITY

A core principle of regenerative tourism is intergenerational equity—ensuring destinations are left in a better state for future generations. As awareness grows about the unsustainable impacts of traditional tourism, more destinations are embracing regenerative models to actively enhance their natural and cultural assets, rather than just preserving them. By focusing on long-term environmental and social benefits, businesses are supporting a tourism system that benefits both present and future generations.



CONCLUSION

As the Queenstown Lakes district continues to captivate both domestic and international visitors with its exceptional landscapes and vibrant community, implementing sustainable and regenerative practices within the tourism sector is not just a strategic move, but a necessary evolution.

This resource highlights the advantages of pursuing sustainable or regenerative business practices in the district. By embracing these practices, the district can enhance its collective competitive edge, attract high contributing visitors, ensure the long-term preservation of the natural and cultural assets and enhance resident quality of life.

The role of Queenstown's pristine natural environment and the wellbeing of its community cannot be overstated. These elements are fundamental to the region's identity and appeal. Remaining optimistic and proactive in the face of environmental challenges is essential. It instils confidence and drives the collective commitment needed to implement these sustainable practices effectively.

By committing to this path, the Queenstown Lakes District not only meets the needs of today's visitors and residents but also sets an inspirational benchmark in tourism worldwide. The steps outlined in this report will support Queenstown's treasures and ensure that it remains an appealing destination for future generations, characterised by its resilience and forward-thinking approach to tourism.

LEARN MORE

READ

- [Information on Mandatory Climate-related Disclosures](#) (MBIE)
- [The Limits to Growth](#) (The Club of Rome)
- [Wellbeing in the Workplace](#) (Sustainable Business Network)
- [Overcoming the Hurdles to Integrating Sustainability into Business Strategy](#) (Deloitte)
- [The Importance of Sustainability in Business](#) (Harvard University)
- [Electrification Insights](#) (Rewiring Aotearoa)
- [Global Risk Report](#) (World Economic Forum)

WATCH

- [What the Heck is Regenerative Tourism, Anyway?](#) (Skift)

LISTEN

- [This Climate Business](#) (podcast hosted by Vincent Heeringa)
- [Making Tourism Work for Everyone](#) (podcast by BBC News World Service)
- [When the Facts Change](#) (podcast hosted by Bernard Hickey)

METHODOLOGY AND SOURCES

METHODOLOGY

The Getting Ahead with Sustainable and Regenerative Practices research utilised secondary sources that are widely recognised and respected within the industry. All data and information referenced in this study were obtained from reputable publications and reports to ensure the accuracy and reliability of the findings. The information provided aims to inform about general trends and advantages related to integrating sustainable or regenerative practices based on the data available at the time of the study. It is not intended to substitute for professional advice or more rigorous, specific analysis. The insights, practice, concepts or ideas may not apply to an organisation's specific situation and should not be used or viewed in isolation. DQ assumes no liability for any actions taken based on the information or insights provided.

SOURCES

Accenture. (n.d.). [Accenture: From Me to We – The Rise of the Purpose-Led Brand](#).

Booking.com. (2024). [Sustainable Travel 2024](#).

Booking.com. (2023). [Sustainable Travel Report 2023](#).

Deloitte. (n.d.). [Deloitte Global Millennial and Gen Z Survey 2024](#).

Glasgow Financial Alliance for Net Zero. (2024).

KPMG. (2024). [From Talk to Action](#).

LinkedIn. (n.d.). [Global Talent Trends](#).

McKinsey. (2024). [The State of Tourism and Hospitality 2024](#).

Ministry of Business, Innovation & Employment. (n.d.). [Mandatory climate-related disclosures](#).

Phocuswright. (n.d.). [Sustainability Dissonance: What Travellers Say vs. What They Do \(and What to Do About It\)](#).

Rewiring Aotearoa. (2024). [Investing in Tomorrow: the electrification opportunity](#).

The World Economic Forum. (2024). [Global Risks Report 2024](#).

World Travel and Tourism Council. (2024). [Navigating the Sustainability Journey](#).