

An aerial photograph of a tropical resort. The main building is a large, multi-story structure with a grey roof and white walls, surrounded by numerous palm trees. To the right, there is a sandy beach and a marina with several boats. The background shows a dense forest of green trees and a rocky coastline. The entire image is overlaid with a semi-transparent blue diagonal shape that frames the text.

ESG Toolkit for Tourism

Department of State Development, Infrastructure and Planning

Copyright



This publication is protected by the Copyright Act 1968.

Creative Commons licence

This work, except as identified below, is licensed by the Department of State Development, Infrastructure and Planning under a Creative Commons Attribution (CC BY) 4.0 Australia licence. To view a copy of this licence, visit creativecommons.org.au

You are free to copy, communicate and adapt this publication as long as you attribute it as follows:

© State of Queensland, the Department of State Development, Infrastructure and Planning, October 2025.

Material not available under a Creative Commons licence:

- The government coat of arms or government logos
- Trade mark protected material
- Intellectual property (including copyright) owned by third parties
- Material available under other specified licences.

Third party material that is not licensed under a Creative Commons licence is referenced within this document. All content not licensed under a Creative Commons licence is all rights reserved. Please contact the Department of State Development, Infrastructure and Planning/the copyright owner if you wish to use this material.

Disclaimer

This publication is a general resource and is to be used as a guide only. While every care has been taken in preparing this publication, to the extent permitted by law, the State of Queensland accepts no responsibility and disclaims all liability (including without limitation, liability in negligence) for all expenses, losses (including direct and indirect loss), damages and costs incurred as a result of decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within.

This Toolkit is not an instrument prescribed by statute and provides no statutory guidance. This Toolkit (including any references to legislation) does not constitute legal advice. Any references to legislation are not an interpretation of the law. They are to be used as a guide only. Any references to policies are not an interpretation of those policies and should be used as a guide only. The information in this publication is general and does not take into account individual circumstances or situations. The State does not warrant, guarantee or make any representation about the accuracy, completeness or suitability of the information in this publication for any particular purpose. Where appropriate, independent legal, financial, tax and other advice in relation to this publication should be sought.

Third party websites

You should be aware that third-party websites are not under our control and therefore we can make no representation concerning the content of these websites to you. The fact that we have referred you to these websites is not an endorsement by the State of Queensland of any of these websites. References to third-party websites are provided only as a convenience to you. The Queensland Government does not warrant, guarantee or make any representation regarding the correctness, accuracy, reliability, currency, or any other aspect regarding characteristics or use of the information presented on third-party websites.

Contents

Acknowledgments	04	Advanced Understanding impact	28
Welcome	05	Assess your risk	29
How to use this toolkit	05	Gather data	32
Introduction to ESG	06	Expert Creating positive change	35
Why is ESG important?	10	Set your goals	36
Global ESG trends	11	Design a strategy	40
Why should your business care about ESG?	13	Formalise reporting	42
ESG opportunities	16	Taking Action Practical implementation	46
What should your businesses care about?	18	Environment	48
Setting up ESG action for SMEs	23	Social	53
Foundation Getting your business ready	24	Governance	57
Set your ambition	25	Additional support materials	60
Establish your team	26	Glossary	61



Acknowledgement of funding

This toolkit was developed with the support of the Queensland Government.

Acknowledgement of Country

The Queensland Government acknowledges the Traditional Owners of the Mackay and Whitsundays. We pay our respects to Elders, past, present and future. We acknowledge the ongoing connection and cultural heritage, which includes responsibility for their Sacred Land and Sea Country, Totems, Language and Songlines.

Welcome

Whether you're new to environmental, social and governance (ESG) practices or already on your journey, this toolkit is designed to support you to take action that strengthens your business and supports positive impact. For some businesses you may be required to report (page 42), for others your partners may request details of your ESG action, or you may just be curious of how to begin. No matter your approach, these small steps will set you up for success.

How to use this toolkit

This toolkit is designed specifically for tourism and hospitality operators, guiding you on a pathway towards ESG action through simple stepping stones. You may wish to explore a specific topic area, or follow the pathway through. The toolkit is designed for you to utilise as little or as much as you need to build your knowledge, understanding and action.


Foundation – the tips highlighted in Green, will offer you the first steps on the journey, assuming that your business has little to no structures or systems in place.

Advanced – the tips highlighted in Aqua, will offer you guidance on how to formalise the processes and programs you have in place. These tips assume that you have the fundamentals in place.

Expert – the tips highlighted in Black, provide guidance on formalised reporting of your ESG performance. They assume that you have the fundamentals in place and have formalised systems (see intermediate) to support you.

The toolkit also provides specialised advice for those involved, or caught, in Scope 3 reporting, offering insights into the information you may need to supply and how to present it.

[There is a glossary](#) at the back to support you in building some of the key language specific to ESG requirements. The toolkit also illustrates some of the key topics with case-studies throughout.



Foundation		Advanced		Expert	
Set ambition Page 25	Establish a team Page 26	Assess risk Page 29	Gather data Page 32	Set goals Page 36	Design a strategy Page 40
Communication		Communication		Communication	



Introduction to ESG

Sustainability, as defined by the United Nations means meeting the needs of the present without compromising future generations to meet theirs. Sustainable tourism is an adaptation of that.

Sustainable tourism considers current and future economic, social and environmental impacts and directly addresses the needs of visitors, the industry, the environment and host communities¹. This is similar to ESG in relation to economic, social, environmental impacts and the stakeholders that are influenced and impacted. ESG has evolved from a number of similar concepts including:

- **Corporate social responsibility (CSR)** - a governance driven approach that looks at the impact of a business on people.
- **Creating shared value (CSV)** - beyond the borders of the business and creating value within society and the communities where your business is based.

ESG is essentially a framework for sustainability. ESG considers how your business is operating and the impact that it has on your community [inward looking and outward facing sustainability efforts] under the key pillars of environmental, social and governance.

ESG is the environmental, social and governance factors and how the business performs across those areas. ESG includes issues like the carbon footprint of the business, its commitment to human rights, ethics, regulatory compliance and so much more.

ESG is about understanding the risks to your business, the impacts from the business and the opportunities for the business.

¹ The National Framework for Sustainable Tourism sets the framing for sustainable action in Australia - <https://www.austrade.gov.au/en/news-and-analysis/publications-and-reports/national-sustainability-framework-for-the-visitor-economy>

Elements of ESG include:

Environmental

Considers the conservation of the resources in which your business operates. This includes energy and emissions, water and waste, nature and biodiversity, among others.

Social

Factors the people and relationships tied to your business, both internally (your staff) and externally (across your value chain, upstream including suppliers, and downstream to your visitors, community and other stakeholders). This refers to how you interact with each of these core stakeholders, your commitment to human rights, equity, labour standards, diversity, and consumer and community satisfaction.

TIP

Stakeholders in tourism include your suppliers like food and beverage and product providers, financiers, visitors, the community in which you operate and your tourism network such as your regional tourism organisation and tourism association.

Governance

Addresses the standards of running a business that is here for the long-term. This includes risk management, internal controls, adherence to legislation, [where applicable] Board structure and executive compensation, ethics of the business, anticorruption and antibribery.

Environmental	Social	Governance
Environmental matters that consider a company's impact on the natural world and its position to deal with climate change.	Social matters that consider a company's social impact, both in and outside its organisational chart.	Governance matters that consider leadership's commitment to positive change.
<ul style="list-style-type: none"> • Climate change and carbon emissions • Water usage • Waste and recycling • Energy consumption • Air quality • Impacts on biodiversity • Land clearing 	<ul style="list-style-type: none"> • Workforce freedom of association • Child labour • Forced and compulsory labor • Workplace health and safety • Discrimination, diversity and equal opportunity 	<ul style="list-style-type: none"> • Reporting requirements • Risk management • Codes of conduct and business principles • Transparency and disclosure • Bribery and corruption • Stakeholder rights

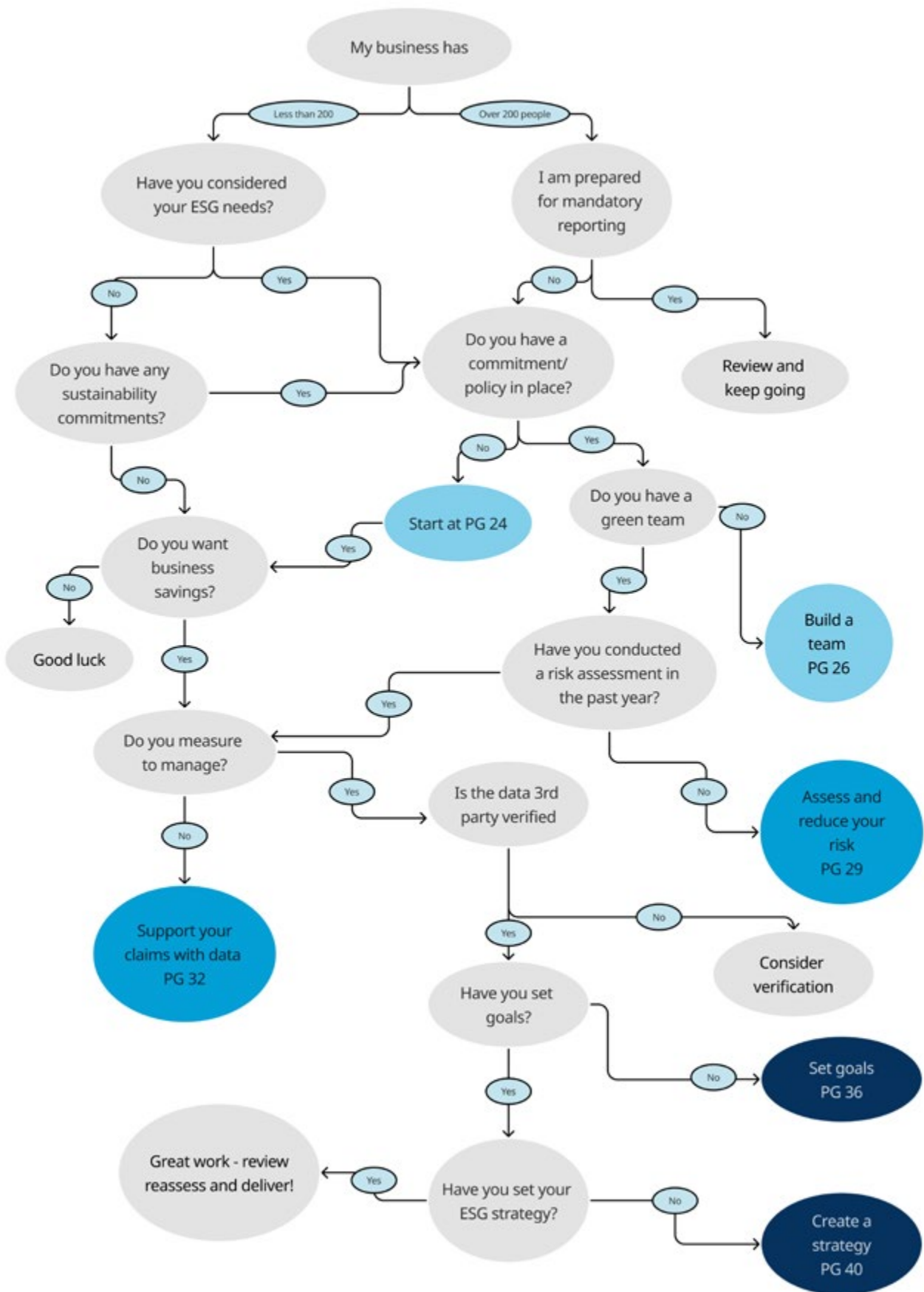


ESG reporting refers to the publishing of data related to the environmental, social and governance performance of a business. This may be mandatory through a specific framework, or a voluntary choice by the business to demonstrate commitment and leadership. Essentially, this is about sharing your story with the right stakeholders in a meaningful way.

The purpose of ESG reporting is to show the achievement and activities of the business to increase the transparency of sustainable action and to encourage other organisations to do more.

This toolkit will introduce the why, the what, and the how of ESG reporting.

Decision matrix



Why is ESG important?

For your business

By taking action, you can achieve cost savings. By collecting data over time you will better understand your performance and how to reduce costs and minimise risks and impacts.

As consumers become increasingly interested in sustainability, sharing your ESG commitment and action may build a more loyal customer base with visitors that share your values. This leads to positive reputation.

You can also optimise investment and capital expenditure by demonstrating the right checks and balances to drive opportunities.

Example in practice

Operator X on the Great Barrier Reef has been offering tours to visitors for over 15 years. The team noticed the changing quality of the reefs that they operate on and explored the opportunities to better engage visitors in the story and protection of the reef.

Once they started formalising their approach to sustainability, the team made a commitment and started to measure their impact. They noticed the large quantities of water they used at the end of the day and the waste that their visitors were generating on the boat.

To reduce the negative impact, the team found a local caterer that was willing to provide lunch in reusable containers that the team of Operator X returned each night. They continue to get positive comments about the quality of the food.

The team also looked at more efficient ways of washing down at the end of the day. Replacing hoses for buckets they save a significant amount of water, and money, creating positive impacts for people, planet and the profits of the business.

For your community

ESG shows that you care as a business, that you are socially and environmentally responsible, that you understand your business risk and you care about the future of your community. ESG reporting can add value to your brand and how it is viewed by your customers. It is a demonstration of your commitment to do good.

For your staff

The social aspect of ESG action relates, in part, to protecting the rights of your workforce, allows them freedom of association, and ensures a healthy and safe working environment. It empowers a diverse and skilled workforce, and drives employee satisfaction and wellbeing. Positive staff engagement can lead to increased retention and productivity.



Global ESG trends

Economic instability, driven by political volatility and increasingly unpredictable inflation, is shaping the business environment and testing the resilience of businesses². A more challenging business environment is pushing businesses to evolve ways of work.

At the same time, an increasing focus on ethics and integrity is forcing businesses to be more transparent and walk the talk. False or misleading statements are being called out and businesses are required to provide evidence to back up their claims³.

As a result of the challenging business landscape, ESG is becoming a strategic issue that is embedded in core business and strategy.

Reducing carbon emissions, the path to net zero to help fight climate change is a priority that businesses are now embedding. Actions such as switching to renewable energy, using energy-efficient buildings, and offering options like electric car charging or promoting eco-friendly transportation are ways businesses can help. It is important for businesses to be prepared for risks that are increasing in likelihood and severity like extreme weather that could affect popular destinations.

Today's travellers want their vacations to benefit the places they visit. This means working with local businesses, hiring people from the area, and ensuring tourist spending supports the broader community. Social engagement is also about respecting local cultures and traditions, so they are not lost or overshadowed by tourism. By including everyone, businesses create experiences that feel authentic and fair for travellers and locals alike.

In Australia, there are three streams of reporting. As of 1 January 2025, large entities (including those that are not publicly listed) are required to prepare and lodge annual reports under *Chapter 2M of the Corporations Act* and are required to disclose information about climate-related risks and opportunities.

Group 2 entities are required to report as of 1 July 2026 and Group 3 entities by 2027⁴.

First annual reporting period starting on or after	Entities that meet at least two of the below thresholds			NGER Reporters	Asset Owners
	Consolidated revenue	EOFY consolidated-gross assets	EOFY employees		
1 January 2025 Group 1	AU\$500 million or more	AU\$1 billion or more	500 or more	Above the NGER publication threshold	N/A
1 July 2026 Group 2	AU\$200 million or more	AU\$500 million or more	250 or more	All other NGER reporters	\$5 billion assets under management or more
1 July 2027 Group 3 ⁽¹⁾	AU\$50 million or more	AU\$25 million or more	100 or more	N/A	N/A

(1) The legislation provides that Group 3 entities only need to make climate-related financial disclosures in line with the climate disclosure standards if they face material climate-related risks or opportunities for the financial reporting period. The way this interacts with the draft AASB standard should be clarified when the standard is finalised.

Year two reporting requires scope 3 (that of the supply chain) reporting, this means even if you are not directly caught up in the reporting requirements, you may need to provide details to a larger entity for its reporting requirements.

Scope 3 emissions include the indirect emissions generated by your employees and supply chain, for example, external laundry providers, transportation of produce, and visitor travel to and from your business.



Why should your business care about ESG?

Whether your business is required to report directly, is indirectly impacted through partners, or is simply striving to do better, ESG plays a critical role in building resilience and improving performance.

Benefits to businesses include:

Cost savings & improved efficiency

ESG reporting requires the measurement of your impact (for example the amount of water and energy you use). This can provide valuable insights into business performance and opportunities to save money (and reduce your negative impact).

Research suggests that by understanding and investing in energy productivity, a business can increase annual profits by between 2-10%⁵. Further research highlights that by committing to an environmental certification program, companies can save as much as 6% in water costs, 7% in electricity and 15% in waste disposal costs⁶.

By introducing strong governance mechanisms you also have the potential to minimise regulatory and legal interventions, saving you money in the long run. A review of business practices across all areas enables identification of processes that are not leading to optimal outcomes, providing you the opportunity to refine and enhance policies and processes ultimately leading to better quality risk management.

Good corporate citizens

Strong ESG practices mean that you care about your social impact – that you are a good corporate citizen. This leads to consumer loyalty, shared value, community support and the ability to enhance positive impact.

More appealing to consumers – more loyal and more shared values.

Attracting talent

More efficient business operations can lead to increase wellbeing and productivity among staff. Of the Australians seeking new jobs (51%), almost half (43%) said they would not work for an employer that did not have an active sustainability plan in place, according to the Mastercard research⁷. Younger employees in particular are seeking employers that align with their values around social responsibility⁷.

5 Climateworks centre.

6 EarthCheck Research Institute, ROI. <https://earthcheck.org/wp-content/uploads/2022/08/earthcheck-roi.pdf>

7 <https://www.mastercard.com/news/ap/en/newsroom/press-releases/en/2022/going-green-sustainability-key-to-future-success-as-consumers-and-employees-look-to-businesses-to-act/>

Sustainable business practices – here for the long term

By applying ESG principles, businesses can evolve their practices to remain fit for purpose, enabling long-term prosperity. This includes fostering diversity, inclusivity, and ethical governance; ensuring transparency and building trust. It also enables streamlined succession planning for a smooth transition to the next generation of leadership.

Having relevant and reliable sustainability information better informs the strategic planning, risk management and decision making of your business.

It is coming your way

Whilst the majority of small businesses will not be mandated to report on ESG⁸ in the short and mid-term, many will be required to report indirectly through scope 3 reporting requirements. Larger businesses will be required to report on their supply chain, and your business may be caught in this. Reporting requires an understanding of your emissions and your ESG performance. You need to be on top of this before your partners come knocking.

Australia is also seeing an increase in the value of social procurement especially from Government agencies. These agencies are prioritising businesses that can demonstrate their positive social (and often environmental) impacts. This may be local hiring, jobs created, diverting waste from landfill,

emissions reduced, reinvestment in the local community and so on. To be considered for these types of opportunities you need to be transparent with your action and have evidence backing up your claim.

Finally, governments globally are shifting and legislation is cracking down on claims about environmental action, also known as greenwashing. For example, if you are targeting European consumers you will need to have evidence to support all claims. While Europe is leading this change, it is likely that other countries will follow suit. Now is the time to get ready!

Attracting finance

For those businesses with a formalised approach, ESG reporting can position you with clarity around how you engage with your environment (E), treats people (S), and manage responsibly (G). By sharing this information, you can build trust with banks and investors who want to support responsible companies. The strengthened governance practices and risk management associated with this process make it easier to get loans or investments, as lenders see it as a safer, more reliable choice. There are also green loan options that may become available to you if you have demonstrated ESG outcomes.

8 Australian Securities and Investment Commission (ASIC).



Case-study: A lesson in ESG readiness

Motel Z operates on the outskirts of a mining community. The majority of visitors staying with them are from large corporate groups that are already reporting on ESG commitments and outcomes. While Motel Z itself is not required by regulation to report its ESG actions, its core guests are. To maintain compliance and transparency, these companies are turning to their suppliers, including Motel Z, for data on emissions, waste management practices, energy and water consumption, and even social metrics such as local hiring and community impact.

Motel Z recently received a request from one of its key corporate clients to provide information on its carbon footprint, sustainability practices, and social responsibility initiatives. The request came with a tight deadline and was framed as a prerequisite for continuing their accommodation contract for the coming year. Caught off-guard, Motel Z struggled to provide the required information. They lacked baseline data on their energy use,

waste disposal methods, and had not yet implemented a framework for tracking social impacts such as diversity, training programs, or community engagement. As a result, their response to the client was piecemeal and unconvincing.

This resulted in a temporary suspension of their vendor status with the company until more robust ESG data could be supplied. Facing the risk of losing a major revenue stream, Motel Z engaged a sustainability consultant to help them conduct a rapid ESG audit and put in place systems for ongoing measurement and reporting. This experience was a wake-up call. Motel Z has since adopted a basic ESG management platform, begun tracking monthly energy and water use, and engaged with staff to develop simple social responsibility initiatives. More importantly, they've realised that being ESG-prepared is not just about compliance, it's about resilience, reputation, and remaining relevant to corporate clients.

ESG opportunities

There are a number of areas that your business can benefit from ESG action and reporting principles, they include:

Strategy

Integrating ESG into business strategy helps your business build resilience, align with customer values, and differentiate in competitive markets. A strong ESG strategy can also future-proof your operations by anticipating regulatory changes and shifting consumer demands.

Grants and financing

Many governments and financial institutions offer grants, low-interest loans, or investment incentives for businesses adopting sustainable practices. ESG-aligned businesses are often seen as lower-risk investments, increasing access to green financing and funding opportunities.

Circular economy

ESG principles encourage waste reduction, recycling, and resource efficiency, helping lower costs while creating new revenue streams through upcycling or product reuse. A circular economy approach also attracts conscious customers and partners.

Supply chain

ESG can drive ethical sourcing, supplier transparency, and risk mitigation. Small businesses that prioritise sustainable supply chains can strengthen partnerships, ensure regulatory compliance, and improve operational efficiency by reducing dependency on volatile resource markets.

Sustainable development goals (SDGs)

Aligning with the UN's SDGs helps you demonstrate your contribution to global sustainability efforts, enhancing brand reputation and opening opportunities for partnerships with like-minded businesses, governments, and investors.

Decarbonisation

Reducing carbon emissions through energy efficiency, renewable energy adoption, and sustainable transportation can lead to cost savings, regulatory benefits, and increased appeal to climate-conscious consumers. Businesses with a decarbonisation strategy are better positioned for future carbon regulations and consumer expectations. Working through ESG principles and frameworks can support you in understanding these goals.

Reporting frameworks

ESG reporting frameworks, such as the Global Reporting Initiative (GRI) or ISSB, provide clear structures for tracking progress, improving transparency, and building stakeholder trust. Simplified reporting can also make it easier to secure funding or comply with industry standards.

Key principles of a circular economy

1

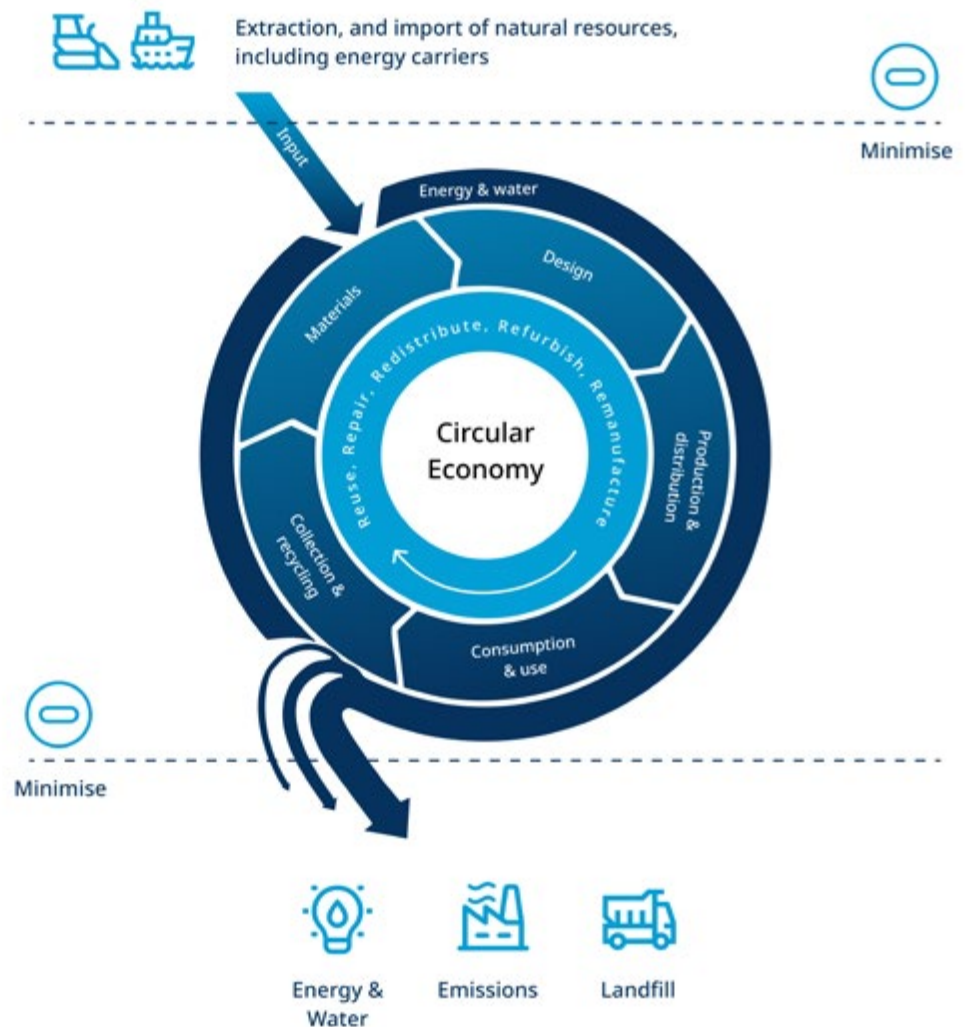
Things can be used better through purposeful design. When things are designed from the beginning to be repaired, reused and recycled, it's much easier to do so. For example, products that are made to be taken apart are easier to fix and use for longer.

2

By targeting how we use and dispose of products and materials, we can keep them in our economy for longer. This can mean buying durable products, reusing and repairing. When recycling, we avoid downcycling, which is turning the product into a lower grade material.

3

The speed at which we are using resources is damaging our environment. When transitioning to a circular economy, actions are considered across product and materials lifecycles to ensure our impact on the environment is reduced and ideally mitigated.



What should your businesses care about?

For tourism business, addressing Environmental, Social, and Governance risks is critical to ensure long-term sustainability, regulatory compliance, and alignment with evolving consumer and investor expectations. Include action for ESG risks and climate-change as part of a broader business risk management assessment, conducted annually. Key ESG issues to consider and address are outlined below. Your business should rate the level of concern from each of these issues and develop strategies to reduce or mitigate actual or potential impacts.

Environmental risks

Regulatory compliance & carbon footprint liabilities – Increasing regulations around greenhouse gas emissions (Scope 1, 2, and 3) could result in compliance costs, penalties, or reputational damage for your business if you fail to track and reduce their emissions.

Scope 1 emissions – the direct emissions from your business. These are within your control like the gas you use to run your hot-water system, refrigerant gases or the fuel for driving your bus or boat.

Scope 2 emissions – the indirect emissions such as energy purchased from the grid.

Scope 3 emissions – the indirect emissions generated by your visitors and supply chain, for example, external laundry providers, transportation of produce, and visitor and staff travel to and from your business.

Rising energy costs & transition challenges – Failing to manage energy use or transition to renewable energy sources can lead to higher operational expenses and vulnerability to energy price fluctuations.

Waste management & disposal liabilities – Poor waste disposal practices can result in environmental fines, higher landfill costs, and loss of conscious customers.

Water scarcity & operational disruptions – Excessive water use can expose your business to supply shortages, regulatory restrictions, or increased costs, particularly in water-stressed regions.

Air pollution & health risks – Poor air quality from local pollution sources can affect employee well-being and guest experience, impacting productivity and reputation.

Biodiversity loss & land use conflicts – Business activities that disrupt local ecosystems may lead to legal challenges, negative publicity, and loss of community support.

Why it matters: Failing to address environmental risks can result in reputational harm, regulatory penalties, and declining visitor interest in destinations affected by environmental degradation.

Social risks

Workplace ethics & compliance risks –

Unsafe working conditions, unfair wages, or unethical labour practices can lead to legal actions, staff turnover, and reputational damage.

Fair pay & wage disputes – Not providing a living wage or equitable pay structures may lead to employee dissatisfaction, low retention rates, and negative media coverage.

Reputational damage from unethical practices – Fraud, market manipulation, or unfair competition can lead to financial penalties and loss of stakeholder trust.

Community backlash & loss of local support – Businesses that fail to engage with or support local communities may face resistance, negative press, and customer boycotts.

Diversity & inclusion risks – Insufficient Diversity, Equity, and Inclusion (DEI) initiatives can impact employee morale, create legal risks, and reduce appeal to socially conscious customers.

Cultural insensitivity & overtourism consequences – Disrespecting local heritage or contributing to over-tourism can cause long-term damage to community relationships and destination sustainability.

Why it matters: Poor social practices can damage brand reputation, reduce customer trust, and lead to legal or financial consequences.

Governance risks

Lack of clear business purpose & strategy

– Without a clearly defined ESG strategy, your business may struggle to meet stakeholder expectations and risk losing investor interest.

Weak transparency & ethical violations –

Lack of governance oversight, including anti-corruption measures, board diversity, and ethical compliance, can result in legal risks and loss of credibility.

Failure to meet regulatory requirements

– Non-compliance with evolving local, state, and federal laws may lead to legal fines, restrictions, or operational shutdowns.

Bribery & corruption risks – Failing to implement strong anti-corruption policies can expose your business to legal scrutiny and reputational harm.

Lack of stakeholder engagement & accountability – Businesses that fail to involve employees, local communities, and investors in decision-making may face resistance and loss of trust.

Why it matters: Weak governance exposes your business to financial, legal, and reputational risks, making it less attractive to investors and customers who prioritise ESG-aligned brands.

Practical challenges for small businesses in ESG reporting

Resource constraints & implementation barriers – Limited budgets and expertise may make it difficult for small businesses to implement ESG initiatives effectively.

Reporting fatigue & complexity – Small businesses may struggle to keep up with multiple ESG reporting frameworks, leading to inefficiencies and compliance challenges.

Greenwashing & credibility risks – Making vague or misleading sustainability claims can damage brand trust and expose businesses to legal or regulatory action.

Key takeaway: Small businesses must balance ESG commitments with practical limitations, ensuring transparency, compliance, and authenticity in their reporting efforts. That's where this guide will help with you taking your first steps.

What is materiality?

For tourism business identifying and managing risks effectively, like the ones outlined above is key to long-term success and resilience of your business. Risk management is about identifying, assessing, and addressing potential problems before they harm your business.

When you are developing or formalising your ESG reporting process, materiality plays a big role because it helps you focus on the most important risks, the ones that could significantly impact your finances, reputation, or operations.

Materiality refers to the importance, impact and magnitude of an issue on your business. In simple terms, it helps you determine which risks matter the most. Not every small issue

needs immediate attention, but major risks—like safety hazards, negative online reviews, or supply chain disruptions—require proactive management.

How are they related?

Materiality helps you determine which risks are most important to focus on. Once you've identified your risks, the next step is to conduct a materiality assessment. For example, a delayed food delivery might not be a huge risk, but a sudden food safety issue at your café is a serious concern.

Materiality helps you determine when a problem is big enough to act on. In tourism, customer experience is everything. A small issue, like a missed booking, might not seem critical unless it starts affecting multiple guests and damaging online reviews.

With limited time and money, you may not be able to address every risk or fix every small issue. A materiality assessment helps you allocate resources where they matter most, such as maintaining cleanliness, safety, and customer service quality.

Some risks, like non-compliance with health and safety laws, can be costly. If a risk is material, meaning it has a big impact, you need to manage it carefully to avoid legal trouble or financial losses.

Example in practice

Tour Operator X recognised several drivers pushing the need for a materiality assessment:

Rising ESG expectations from government regulators, conservation groups, and international travel partners.

Increasing awareness among tourists demanding sustainable and responsible travel options.

Potential exposure to Scope 3 reporting by larger partners, such as travel platforms and cruise lines, who were beginning to request ESG-related data.

Desire for proactive risk management, especially given the ecological sensitivity of the Great Barrier Reef and its vulnerability to climate change.

The materiality assessment began with structured engagement across key stakeholder groups:

Internal stakeholders: Employees, boat crew, marine biologists, and management.

External stakeholders: Tourists, local Indigenous groups, the Great Barrier Reef Marine Park Authority (GBRMPA), marine conservation NGOs, travel agency partners, and suppliers.

Engagement was conducted through a mix of surveys, interviews, and workshops. Stakeholders were asked to rate the importance of a range of ESG issues from their perspective.

The materiality assessment identified the following as high-priority issues:

Environmental

Reef ecosystem impact: Anchoring, diver/snorkeler behaviour, and fuel spills were flagged as significant environmental concerns.

Carbon emissions and fuel use: Boat operations represent a large part of the company's environmental footprint.

Waste management: Particularly single-use plastics and waste disposal at sea.

Climate change adaptation: The health of the reef directly impacts the viability of their business model.

Social

Indigenous engagement and inclusion: Incorporating Traditional Owner knowledge and participation in tour design and delivery.

Staff well-being and safety: Due to the physical and mental demands of marine-based work.

Community relations: Building stronger ties with local communities and reinvesting in reef conservation.

Governance

Compliance with marine regulations: Including GBRMPA permits and wildlife protection laws.

Transparency and ESG reporting: Increasing pressure from international partners for ESG disclosures.

Ethical marketing and tourism practices: Avoiding greenwashing and misrepresentation of environmental credentials.

From the assessment, Tour Operator X developed a roadmap to improve ESG integration:

Carbon reduction plan: Investing in state of the art motors with regular maintenance for their fleet and offering guests the option to plant a tree through a local company based on their emissions.

Reef stewardship initiatives: Formalising partnerships with reef research bodies and hosting citizen science experiences.

Cultural competency training: Co-developing reef interpretation content with Traditional Owners and hiring Indigenous guides. **ESG reporting:** Publishing their first Sustainability Report to increase transparency and accountability.

Setting up ESG action

Whether you are getting your business ready, seeking to understand business impact or ready to make positive change, this section will guide you through a structure approach to setting your ESG strategy.

If your journey has already started, then take the time to review where you're at, address any gaps or just jump in where you are up to.

Foundation		Advanced		Expert	
Set ambition Page 25	Establish a team Page 26	Assess risk Page 29	Gather data Page 32	Set goals Page 36	Design a strategy Page 40
Communication		Communication		Communication	



Foundation

Getting your business ready

ESG toolkit for the tourism industry

Set your ambition

What does it mean to you

Setting your ambition means defining what you want to achieve, understanding how sustainability fits within your business, and aligning it with your overall vision, goals, and values.

From a sustainability perspective, this means identifying what positive impact you want your business to have on the community and environment that it operates within. You may link this with your business vision⁹, or it may be a stand-alone statement.

An example from a café may be - “To build a community of coffee lovers, by serving the best coffee with the greatest positive social impact”.

Ovolo hotels offers simplicity and clarity in its vision to “Do Good. Feel Good.” They operate under the philosophy, “When people do good, they feel good. So, we aim to be a force for good. On every level – from our individuals to our communities, and our planet –it’s clear for all to see. We care.”

Challenges

Writing a vision that embeds your ESG ambition may be challenging to balance idealism with practicality – it should be grounded in ambition to avoid greenwashing, but it is an opportunity to think big. It should also integrate with your business goals and philosophy (like the Ovolo example), not standing alone but guiding your action. Keep this in mind as you progress through the rest of this chapter.

Where to start

As a business owner, consider what is important to you and your stakeholders, ask yourself:

- Where do I want my business to be in the future?
- What positive impact can my business have on the community and/or the environment?
- What type of culture do you want to create for your staff?
- What environmental and social resources does my business depend on?

Once you have thought about each of these, develop your statement, make it ambitious (but achievable), clear, future orientated and empowering.


Remember, this will set the tone for how you position the rest of your ESG approach.

How to communicate your action

Internally – It is important that your team know and understand your vision and are empowered to take action towards it. Make introducing your vision a key step in your induction process.

Externally – Some businesses include their vision statement on their website, to help stakeholders align with the values of the organisation. You can do this explicitly in your vision statement, or you can weave the ambition and intent of your vision through the “About Us” section of your website.

⁹ <https://www.business.qld.gov.au/running-business/planning/vision>



Establish your team

What does it mean to you

Sharing a problem can lighten its load. When it comes to integrating ESG as a core part of your business, you can't do it all alone, you will need to bring your team along on the journey, engage them with the action you want to see and delegate activities to relevant stakeholders. For example, if you have an engineer on your team, they will be key in managing energy, water and waste, or your communications specialist will be valuable in sharing your story. Demonstrating commitment to relevant sustainability issues can lead to increased participation among your team members and greater alignment to your vision.

Challenges

A lack of awareness, motivation or understanding among your team can stifle commitment to ESG outcomes and hinder delivery of action across your business. Without the right knowledge and resourcing those responsible for delivering your initiatives may lack the ability to integrate action into daily activities.

To address these challenges, you may consider:

- Running workshops or training sessions to build awareness across your team.
- Set up a green team or sustainability champion group to lead ESG integration, support delivery, and help others across the business take action. Those that are passionate about sustainability are often the ones who will go the extra mile to create positive impact.
- Embedding relevant practices and principles aligned to your vision within policy and standard operating procedures, where available, to guide actions. Everyone has a role to play whether it is actively recycling, turning off the lights at the end of the day or rigorously assessing the suppliers you are choosing to work with. Understanding the importance of actions across the business will build the behavioural change required.

Where to start

It is important to empower action across your team, whether a small team or larger workforce consider:

- engaging a green team or a sustainability champions network to drive change across all job roles
- hosting regular meetings to discuss challenges and opportunities to reduce negative impacts and share the progress and good news stories
- leading by example – engaging the leadership team to engage with employees on action
- encouraging and upskilling staff to be more sustainable in their roles and at home
- communicating regularly about sustainability action, whether formally in newsletters, trainings or team meetings or informally in huddles or support materials
- setting KPIs for your team to support your ambition will create accountability and rewards action
- providing sufficient time and resources for your sustainability journey so that your team can tackle the challenges within their working hours
- delegating activities to help reach the outcome you are looking for.

How to communicate your action

Internally – Set the tone by clearly outlining ESG expectations in job descriptions and key performance indicators. Reinforce intent and keep momentum going by regularly sharing updates on actions and outcomes through team meetings, newsletters, or other internal channels.

Externally – Showcase your green-team, highlighting the role of team members on your website and share stories of success through media releases in partnership with destination management organisation.

Someone along your supply chain may ask you to share your ESG performance with them. This may include:

- sharing your sustainability policy and/or signing a code of conduct
- explaining how you minimise your negative environmental footprint
- providing your carbon footprint including scope 1 and 2 emissions
- policies relating to labour (human rights, equity and inclusion) and health and safety
- how you source your materials, products and services
- how you address ethical issues to prevent corruption.

Having well-articulated responses, with evidence to support your claims is important.

If you fail to provide satisfactory details, larger corporations that you work with may demand corrective actions plans, potentially resulting in a halt in trading until you provide the required information.



Advanced Understanding impact

ESG toolkit for the tourism industry

Assess your risk

What does it mean to you

Understanding risk helps businesses prioritise action and direct resources, whether time, manpower or money, to mitigate negative impact on people, society and the environment.

Traditional risk management is about identifying, assessing and managing the impact of external influences or risks **to** your business. If your business lacks a simple risk assessment, taking this step is crucial. You can find guidance here¹⁰.

Conversely, an ESG risk assessment looks at the impact **from** your business on society and the environment.

This approach is commonly known as a materiality assessment; it is the process by which a business can assess the significance of different impacts and prioritise which impacts need to be addressed. This forms the foundation for all business sustainability efforts and strategies, enabling businesses to allocate resources effectively and take action to minimise negative impacts on people, communities and the planet.

Challenges

The perceived complexity and the availability of resources challenges many small businesses in conducting an ESG risk assessment. While it may appear daunting, you can start small and focus on a few key risks most relevant to your business and industry.

A transparent and stakeholder engaged approach prevents companies from cherry-picking impacts to focus on, preventing them from avoiding hard to address or sensitive impacts. Inclusive stakeholder engagement can be challenging, but you can start with internal stakeholders and later engage external stakeholders such as industry groups (like your regional tourism organisation), communities or governance bodies for validation.

Collaboration with industry groups or consultants can help guide and support the process.

¹⁰ <https://www.business.qld.gov.au/running-business/risk/identify-manage>

Where to start

The first step is to understand your business context through a high-level review of activities, business relationships and stakeholders. It is important to consider these within the local, regional and global sustainability context related to your business, the tourism industry, and the geographic location.

The second step requires you to identify negative and positive impacts from your business. This includes actual and potential impacts across the value chain, whether caused or contributed from business actions. Create a list of impacts from a number of sources including audits and inspections, industry reports and publications, and expert opinions or consultations. The travel and tourism sector commonly prioritises risks such as:

- energy and emissions (climate change)
- water
- waste
- modern slavery
- equal pay and opportunity
- health and safety
- adherence to Australian and Queensland legislation.
- ethics and anti-corruption.

TIP

Risks may be diverse and not immediately apparent. In the case of climate-related risks they can be physical - the impacts of climate change, or transitional - related to the transition to a low-carbon economy

The third step is to assess the significance of impacts, determined as their severity and likelihood which combined can be considered the “risk”.

- Severity considers both the scale (how big an impact is) and the scope (how widespread an impact) and the irremediable character (how hard it is to counteract or reverse any harm done).
- Likelihood can be described in general terms such as rare or very likely, expressed as a probability like 10%, or defined by frequency over time, for example, once every three years.
 - Consider the policies or actions your business already has in place to minimise impact.
 - Prioritise more immediate impacts within a timeframe of 5 years, while tracking longer term risks.
 - The relative impact of each risk from your business against each other: you are prioritising impacts from your business, so for example, do not compare your impact on climate change in a global context, against larger companies, or different industries.

In some cases, severity of impact may be deemed more important than likelihood, such as human rights impacts. Similarly, governments often require businesses to disclose information on topics such as climate change, even if they are not deemed high priority for your business.

This process should first be conducted internally as your team have the greatest understanding of your business. External

stakeholders should then be engaged to understand how important these risks are to them.

The fourth step is to prioritise the most significant impacts for action. This can be by comparing impact or importance to operations against importance to stakeholders, or comparing likelihood versus severity. Ultimately, the most significant risks are prioritised for business action, and a business should not avoid addressing significant risks just because they are hard to address. However, you may include additional lower significance risks if they are important to your business values and vision.

An ESG risk assessment, as described, typically remains valid for about five years, enabling companies to strategically plan and track improvement. However, an annual review process is important to adapt to governance, societal or environmental changes that may require consideration.

How to communicate your action

Internally – Engage your team early, they may identify risks from their roles that you have not considered. Share how the impact will affect the community or the environment and work together to come up with solutions to address the risks.

Externally – When conducting a materiality, you will need to engage your key stakeholders in the assessment, this may be your Board, your stakeholders, suppliers or your community. Set clear guidelines about how you would like input and communicate the outcomes once the analysis has been completed.

TIP

Currently implemented in the EU, the future of business ESG risk assessments consider “double materiality”. This requires companies to prioritise risks in step four by comparing ESG risk (impact FROM your business) against financial risk (impact TO your business). This is considered a more inclusive business approach that aligns with traditional enterprise risk management, with companies expected to consider impacts, risks and opportunities in a sustainability context.

Gather data

What does it mean to you

Data collection and analysis is a core part of your ESG strategy development. Data collection supports your understanding of where you are now and what action is required to reduce your impact. Assess your performance against other similar businesses where benchmarks are available, or set your own to track progress over time.

Collect both quantitative data (numbers) and qualitative data (descriptive information, such as compliance reports or staff feedback).

Challenges

Businesses often start their ESG journey with no data. It can take time to collate your measures, get the methodology right and start collecting data. If that is the case for your business:

- Start with simple measures or those that align closest with your ambition and priorities those.
- Ask your team about the data you already have.
- Start with last year's energy, water and waste data, that should all be available on your bills.

Where to start

To start with, you will need to determine what to record, this will align with your ambition and reflect the risks identified. Set a baseline in year one to compare your performance to over time.

Reporting frameworks (see page 43) include specific metrics to report against. They include:

Scope 1 and 2 emissions

- Scope 1 – your owned emissions like fuel used for heating or on site generators, emissions from your business owned vehicles, gas stoves and refrigerants from air conditioning and fridges.
- Scope 2 – your emissions from purchased energy including electricity and heating and cooling.
- You should also include details of any sources of emission that you have not included in your reporting and the reason why.

Social impact including:

- Living wage
- Volunteer hours
- Percentage of women in upper management
- Workplace health and safety incidents

Governance measures including:

- Privacy breaches
- Board structure and diversity
- Executive remuneration compared to employees.

[Here is a tool to help you measure*.](#)

How to communicate your action

Internally – As you collect your data, you will want to involve your team, drawing on their knowledge of existing data and to support you in addressing any gaps you may have.

For example, you may want your team to conduct a simple waste audit monthly to collect waste data. This would require weighing your various waste streams during the month and extrapolating the data. Once you have your baseline data, share the results with the team, highlighting areas of strong performance and those requiring whole of team commitment to improvement.

Externally – You may wish to share your progress to external stakeholders through an annual report, shareholder report or simply by updating progress on your website.

Crystalbrook is a great example of using a more formalised reporting approach to meet the expectations of financial institutions. In 2024, Crystalbrook Collection became the first known hotel brand in Australia¹¹ to secure

a sustainability-linked loan supported by Commonwealth Bank of Australia. This was achieved through their ESG reporting, and the ability to tie their debt to their sustainability performance and ongoing reporting.

*Please note, no code is required to enter the link. Just register with your email for free access.

11 https://d1awz198bamix0.cloudfront.net/crystalbrookcollection.com-2608238329/cms/pressroom/press_release_crystalbrook_collection_hotels_and_resorts_secures_australias_first_hotel_sustainability_linked_loan.pdf

Case-study example:

Crystalbrook hotels actively share the story of sustainable luxury in a number of ways. Their online approach provides insights into the action undertaken and the impact that it has on the communities in which they operate.

#ResponsibleLuxury

Travel with a lighter footprint

Crystalbrook Collection acknowledges the Traditional Aboriginal and Torres Strait Islander Owners of the land, sea and waters of the Australian continent, and recognise their custodianship of culture and Country for over 60,000 years. We acknowledge and extend our respect to Elders both past and present, and upcoming future leaders. At Crystalbrook Collection Hotels and Resorts we aspire to protect the environment and create sustainable experiences that enhance, rather than compromise the guest experience.

We enjoy modern living through attitude, design, technology and a passion for a better world – or what we call #ResponsibleLuxury.

Because the little things make a big difference.

Across the Group since we opened our first hotel in November 2018, we've saved the following from going into landfill...

Plastic amenity bottles saved

6,396,948

Plastic amenity bottles saved

2,421,983

This excerpt was taken directly from the website to illustrate how they communicate commitment under the banner of responsible luxury



Expert

Creating positive change

ESG toolkit for the tourism industry

Set your goals

What does it mean to you

Understanding your position will only get you so far. Once you know your performance, it is time to set some targets for reduction. These targets need to be specific, measurable, achievable, relevant, timely and verifiable. Your goals should be based on real data that you have recorded.

KEY TERM - VERIFIABLE

Ensure your data stands up to independent third-party review (verification). To ensure it does this, you should have a clear methodology, be replicable and have evidence to back up the number.

Challenges

Taking action that will reduce some of your impacts may take time and be costly. There may not be the technology or policy environment that supports your action in the short term, but that shouldn't restrict your ambition. For example, phasing out fossil fuels use may be costly and challenging, so factor this into a longer-term plan. To address this challenge, consider:

- setting short and mid-term goals (one, three, five years) that will enable you to future plan¹²
- adapting goals over time to reflect new technology and policy requirements and to drive ambition forward.

Where to start

Reduction targets should be in line with the scientific consensus on the global effort needed to limit warming to 1.5C with no or limited overshoot. This means that we will need to be phasing down and out all unabated fossil fuels as part of a global transition. Consider what this means for your business in the short, mid and long term.

Social and governance targets should also be included to deliver meaningful outcomes over the timeframe you plan for.

Set an interim target to achieve in the short term (1 year) and mid-term (3-5 years), which reflects maximum effort toward or beyond a fair share of the 50% global reduction in CO₂ by 2030.

When considering your targets, set them for all greenhouse gas emissions including scopes 1, 2 and 3 for businesses and other organisations.

¹² If you are striving for carbon neutrality or net zero, you may also wish to include longer-term (10 year) goals.

Targets may include:

Risk	Accommodation	Tour company
GHG emissions – absolute scope 1, 2 and 3 emissions intensity.	Reduce scope 1 and 2 emissions by 70% from a 2024 baseline by 2030. Start recording scope 3 emissions in 2025.	Reduce scope 1 & 2 emissions across land activities by 35% by 2027.
Energy	Install solar hot water system in 18 months to reduce energy consumption by 20%.	At end of life, switch vehicles to hybrid.
Water	Reduce laundry usages by 30% by switching to “opt in” to linen changes rather than opt out. 3 months.	Provide large water refill stations on tour to reduce single use plastic bottles within 6 months.
Waste	Reduce food waste to landfill by 40% by partnering with a local farmer for scraps. 6 months.	Achieve zero-waste lunches by utilising reusable containers and finding alternatives to wrapping. 8 months.
Living wage	Achieve 100% staff on living wage in 8 months.	Achieve 100% staff on living wage in 2 years
Local purchase	Purchase 75% of non-perishable goods from within 80km radius in 2 months.	Purchase 100% Australian made in 2 years.
WHS incidents	0 unavoidable incidents in 6 months.	0 unavoidable incidents in 6 months.
Cyber breaches	0 breaches in quarter.	0 breaches in quarter.

If you are working towards formalised climate related disclosures, you may also want to include targets based on:

- Transition risks – amount of business activities vulnerable to transition risk
- Physical risks – amount or extent of activities at risk
- Climate related opportunities – proportion of activities aligned with climate opportunities
- Capital deployment - amount of funds set aside for climate action
- Remuneration – link between executive remuneration and climate action.

How to communicate your action

Internally – For your team to deliver on your goals, there needs to be clear communication about the what, the why and the how. Share the story and the intent with them to bring them on the journey with you.

Consider any required changes to standard operating procedures (e.g. room cleaning), processes or role description.

Provide training and upskilling to support your team in delivering goals. When you are hiring, ensure that those coming in to your business have the skills to support your sustainability action. Include a discussion on sustainability and your ambition in interviews

Collect both quantitative data (numbers) and qualitative data (descriptive information, such as compliance reports or staff feedback).

Externally – In some instances you may need your visitors to get behind the action you are taking. Consider how you engage them in your sustainability journey so that they become more responsible visitors.

Inform them about opting in to change linen, or communicate before they arrive that you can refill the water bottles that they bring.

Share some of your goals on your website to encourage action, both internally and externally. Similar to sharing your ambition, this can help you attract visitors with aligned values.

Here's an example from Daydream Island about how they share actions to support their goals:

Water conservation	Energy saving
<p>We know water is a precious commodity in Australia, and make every effort to conserve it in our day-to-day operations through a number of initiatives. These include:</p> <ul style="list-style-type: none">• Using recycled waste water on our gardens• Doing regular maintenance checks on all taps• Fitting showers and toilets with water-saving technology• Giving guests the option to reuse towels and bedding for a second day, reducing the water used in washing• Encouraging staff and guests to reduce their shower time. Did you know each minute of showering uses around 10 litres of water?	<p>In an effort to reduce energy consumption, we...</p> <ul style="list-style-type: none">• Use energy efficient lights where possible• Encourage guests and staff to switch off lights and appliances when not in use• Regularly clean air conditioning filters to make sure they're not working harder than needed• Encourage air conditioning systems to be maintained at an easy 23°C• Installing insulation in all buildings to reduce the need for air conditioning• Keeping fridges and freezers sealed and at optimal temperatures• Make sure all appliances have the best suitable energy consumption rating.

[More support here¹³](#).

13 https://earthcheck.org/wp-content/uploads/2024/02/0224_EarthCheck_GreenwashingGuides_OperatorsV3.pdf

Design a strategy

What does it mean to you

Once you understand your risk, you know your performance and you have set goals, it is time to set the strategy, or pathway to reach the outcome you are seeking. Set your triple horizon targets (short, medium and long term) outline the key steps or milestones needed to get there.

Challenges


It's not uncommon for small businesses to lack the networks or influence needed to scale ESG impact. Due to their size, achieving the same bargaining power with suppliers and stakeholders can be challenging when trying to implement meaningful actions.

- Identify other small local businesses to partner with, such as local farmers for sustainable sourcing or to support with organic waste management.
- Collaborate within the tourism network with your destination management organisation or Council to support implementation.
- Discuss with your suppliers your intent and how they can support you on your journey.

Where to start

Include all the steps already outlined within this toolkit when building your strategy:

- a) Setting your ambition – define your ESG vision and commitment, and understand how they match with your business values and goals.
- b) Engaging your team – bring stakeholder, internal and external, on the journey with you through empowering action, regular communication and inclusion in the review and development of key processes.
- c) Gathering your data – set your baseline measurements to understanding where to prioritise action.
- d) Identifying your risks – understand what is material to your business and how this feeds in to your actions.
- e) Setting your goals – know what you want to achieve by when.
- f) Taking strategic action – use this strategy to develop actions that will direct your resourcing and outcomes.



Make sure you are monitoring and reporting on your progress, adapting your action plan or pathway if you are not seeing the right changes in your measurements.

Remember, it may take a few years to see the results you are looking for, especially if undertaking major structural changes.

How to communicate your action

Internally – You will need to communicate your action plan with those you work with. Share the progress and updates over time.

Consider the implications for processes (e.g. procurement implications) as you implement new areas of focus.

Create accountability among your team, assigning tasks and goals to those with the capability to deliver.

Externally – Your suppliers will be the ones to support you on your journey. Share your ambition early to assist your suppliers in transition.



Formalise reporting

Formalise reporting

What does it mean to you

ESG frameworks support your business to implement and report on action under each pillar of environment, social and governance.

Specific frameworks require certain disclosures, metrics and important issues. Formal reporting commonly requires characteristics such as greenhouse gas emissions and diversity and inclusion measures.

KEY TERM - DISCLOSURE

A disclosure refers to the data that you are sharing relating to your environmental, social or governance reporting. This information may be quantitative, such as your carbon footprint, or qualitative, like a summary of your commitment to biodiversity restoration.

The Australian Government's climate-related financial disclosures require business reporting based on:

- information relating to governance, strategy, risk management
- metrics and targets relating to Scope 1 and Scope 2 greenhouse gas emissions
- businesses must report Scope 3 emissions from the second year

Where to start

Whilst there are no specific frameworks for the tourism sector, the following commonalities are observed when it comes to required disclosures and reporting:

- identification and assessment of material topics
- overview of impact against material topics, these may include:
 - General business disclosure reflects your governance structure and employees.
 - Environmental impact includes energy, water and waste management, your GHG emissions, air quality and ecological impact.
 - Social capital includes employment practices, human rights, consumer privacy, data security, access and affordability and selling practices.
 - Human capital includes labour practices, health and safety and engagement, diversity and inclusion.
 - Business model and innovation includes lifecycle management, businessmodel resilience, supply chain management and physical impacts of climate change.

- Leadership and governance includes business ethics, competitive behaviour, legal and regulatory compliance and critical incident risk management.
- Economic performance includes economic value and financial risks.
- Procurement practices includes the prioritisation of local supply and management of materials.
- Communication includes your marketing, engagement and privacy approach.
- Biodiversity disclosure requires examining your approach to and management of ecosystems and biodiversity.

This is a lot to consider, but experts in the field can support you in developing a report that is fit for purpose. You can choose from several reporting frameworks, and it is best to work within a scheme that meets your needs. Popular frameworks include:

Australian Sustainability Reporting Standard (AASB S1) – Australia’s voluntary standard relating to sustainability -related risks and opportunities that could reasonably be expected to affect your cash flow, access to finance or the cost of capital over the short, medium or long term. It was released in Australia on 1 January 2025, to align with mandatory reporting commencing in 2025.

GRI¹⁴ – GRI has for over 25 years provided standards, tools and trainings for sustainability reporting. Any business, large or small can use the GRI Standards. They help frame what a business should be reporting on and how often. It is also a good tool for investors and potential investors to assess how sustainable development is integrated into strategy and to understand the risks of the business.

SDGs¹⁵ - Reporting on the SDGs leverages the GRI Standards — the world’s most widely used sustainability reporting standards — and the Ten Principles of the UN Global Compact. When it comes to reporting, the UN Global Compact suggests the following approach:

SASB¹⁶ - The SASB Standards, are maintained under the International Sustainability Standards Board (ISSB). They are designed to support you in reporting the sustainability factors that are most likely to affect the financial condition or operating performance of your business.

No matter which framework for reporting you select, you will be required to methodically address the outlined requirements.

Remember, you get to determine for yourself which standard or standards are most applicable, which disclosure topics are relevant to you and the metrics that you want to report, taking relevant legal requirements into account.

14 <https://www.globalreporting.org/>

15 <https://unglobalcompact.org/take-action/action-platforms/sdg-reporting>

16 <https://sasb.ifrs.org/implementation-primer/>

How to communicate your action

When you are ready, share your progress with your visitors and with other key stakeholders. Choose to [share your progress](#) formally (see page 43) or informally through your website, social media, newsletter or other means such as an annual report.

Ensure that transparency and credibility underpin all of your communications relating to sustainability and ESG. Be transparent about setbacks or pain points, address the challenges you face, and demonstrate the accountability for areas that you are focusing on.

While formal reporting has value, your staff or visitors are likely to engage with that report. Find ways to bring your key actions and activities to life that connect staff and visitors with your story.

Your formal ESG Report provides stakeholders (internal and external) with insight into your performance, progress and next steps.

Consider the 4 C's of effective reporting to ensure you deliver a clear message:

Concise – focus on priorities and the most material information, avoid clutter or overload and prioritise the story you want to share.

Consistent – your reporting won't be a one-off - allow performance trends over time to be highlighted.

Current – your report should focus on the current timeframe with insights into your operations as they are now.

Comparable – use measures and metrics aligned to best practice so you can benchmark against peers. Remember, to compare against your past performance, as consistency is crucial.



Taking action

Practical implementation



Now that we have covered the why of ESG and the approach to taking ESG action, this section provides some practical initiatives to support you with your action.

The checklists are structured by pillar Environmental, Social and Governance across the three levels of action.

- Foundation level: Businesses just beginning their ESG journey can start with basic, high-priority actions to build business readiness.
- Advanced level: Businesses with some fundamentals in place can formalise and deepen their ESG actions.
- Expert level: Businesses with substantial ESG experience, can innovate, lead, and fully integrate ESG, including reporting on progress and achieving certifications.

Find links to additional support materials that will help you on your journey throughout this section.

Environment - Energy and emissions

Foundation	<p>Measure your energy – electricity and fuel to establish a baseline.</p> <p>Implement easy efficiency wins:</p> <ul style="list-style-type: none">• switch to LED lighting• turn off equipment/AC when not in use• perform maintenance on appliances and vehicles for efficiency• manage heating and cooling (advice here) <p>Encourage behaviour change in guests like maintaining thermostats and shutting doors/windows to save energy.</p>
Advanced	<p>Set specific energy reduction targets (e.g. 10% reduction in 1 year) and track progress regularly.</p> <p>Invest in energy-efficient equipment:</p> <ul style="list-style-type: none">• upgrade to energy star appliances• upgrade to efficient aircon• consider partial solar power• (install solar panels or solar hot water if feasible)• transition to EV fleet <p>Optimise vehicle use: plan routes to reduce fuel, train drivers in ecodriving. Encourage guests to use public or active transport where viable.</p>
Expert	<p>Implement advanced energy management systems (smart controls, energy audits every 1–2 years) to continuously improve efficiency.</p> <p>Source majority of energy from renewables (install significant solar/wind capacity or purchase green power) and offset any remaining emissions via accredited programs.</p> <p>Publicly commit to science-based climate targets (align with global goals to limit warming) and disclose Scope 1, 2, 3 emissions in reports.</p>

Environment - Waste and plastics

Foundation	<p>Measure your waste streams, at a minimum:</p> <ul style="list-style-type: none">• recycled• plastics• composted• landfill• paper• other (e.g. e-waste) <p>Implement easy wins:</p> <ul style="list-style-type: none">• set up bins for all waste streams and include labels to help staff and guests.• reduce single use items in rooms or on tours switching to bulk dispensers.• switch to digital booking, receipt and sign in systems;• offer incentives for reusables.• develop policies to support your team in changing actions. <p>Encourage behaviour change in guests like separating waste and reducing food waste.</p>
Advanced	<p>Set specific waste management targets (e.g. additional streams, or reduction in waste to landfill) and track progress regularly.</p> <p>Invest in waste management efficiencies:</p> <ul style="list-style-type: none">• AI to drive food waste reduction;• composting partnerships or technology;• staff training• properly dispose of hazardous waste. <p>Trial interventions with guests to reduce wastes, for example reducing plate sizes, switching from a picnic to a buffet etc.</p>
Expert	<p>Eliminate single-use plastics from operations. Set specific targets to reduce other waste streams.</p> <p>Map all operations and supply chain and establish opportunities for waste reduction and efficiencies.</p> <p>Work with your supply chain to reduce the amount of waste coming in to your business.</p>

Environment - Water management

Foundation	<p>Track water usage from bills to establish your baseline.</p> <p>Implement easy wins:</p> <ul style="list-style-type: none">• install low flow fixtures and fittings;• identify and fix and leaks;• start a linen/towel reuse program. <p>Encourage guest behaviour change through signage (e.g. take shorter showers).</p>
Advanced	<p>Set specific water reduction goals from your baseline usage.</p> <p>Invest in water management processes and technology:</p> <ul style="list-style-type: none">• consider rainwater harvesting options;• use low maintenance, resilient natives in gardens.
Expert	<p>Install advanced monitoring (smart meters) to detect anomalies and optimise water use in real-time.</p> <p>Implement comprehensive water recycling systems on-site (e.g. a treatment system that recycles greywater to flush toilets or water gardens).</p> <p>Work with the local community on water conservation initiatives (e.g. sponsor local water-saving campaigns or infrastructure).</p>

Environment - Biodiversity and conservation

Foundation	<p>Understand your commitments to your local ecosystem and planning and protection requirements.</p> <p>Support local conservation activities in simple ways:</p> <ul style="list-style-type: none">• join community clean-up days, allow staff volunteer time for tree planting or wildlife rescue,• donate small amounts to a local conservation charity. <p>Support your guests in contributing.</p>
Advanced	<p>Map the biodiversity value of your property.</p> <p>Develop partnerships with conservation or research organisations to build a citizen science program that enables guests the opportunity to give back to the landscape.</p> <p>Train staff as expert guides in sustainability and nature interpretation (e.g. participate in programs like Master Reef Guide or similar for your area to inspire environmental stewardship.</p>
Expert	<p>Become a leader in conservation: allocate a portion of profits or establish a fund to finance conservation projects related to your business operations.</p>

Environment - Climate action

Foundation	<p>Identify climate/weather risks to your operations (e.g. cyclone season impacts, heatwaves, bushfires, floods) and create a basic emergency response plan.</p> <p>Diversify your offerings slightly to not be wholly dependent on one season or weather condition (e.g. develop indoor activities for rainy days, offer summer and winter variations if applicable).</p> <p>Review your communication plan for guests so when a disaster does strike you provide timely updates.</p>
Advanced	<p>Develop a comprehensive Climate Adaptation Plan. This might include reinforcing infrastructure (e.g. use storm-resistant construction for any new builds or retrofits), relocating critical equipment out of floodprone areas, installing backup generators or water sources in case of service disruptions.</p> <p>Consider financial buffers for climate events: set aside a small emergency fund or line of credit to cover closures or repairs after an event.</p> <p>Train staff in emergency procedures and conduct regular drills.</p>
Expert	<p>Integrate climate scenarios into business planning: regularly assess how future climate changes (sea level rise, temperature increase, changing tourist travel patterns) could affect you and adjust your long-term strategy accordingly.</p> <p>Invest in resilience upgrades: e.g. move toward infrastructure that exceeds minimum codes for climate stress, create redundant systems (solar plus battery so you can operate off-grid if power fails), and use nature-based solutions (maintain mangroves or vegetation as natural buffers against storms).</p> <p>Engage in destinationlevel climate initiatives: work with regional tourism bodies on climate adaptation projects.</p>

Social - Employee wellbeing and training

Foundation	<p>Ensure compliance with basic labour laws:</p> <ul style="list-style-type: none">• pay correct wages (award rates),• provide proper rest breaks• have required insurance (workers' comp). <p>Improve workplace safety - do a quick safety audit of your premises/operations and fix obvious hazards - non-slip mats, first aid kits stocked, fire extinguishers serviced.</p> <p>Show appreciation for your staff through recognition – formal and informal.</p>
Advanced	<p>Develop an Employee Handbook or HR policy outlining company values on diversity, anti-harassment, grievance process.</p> <p>Provide ongoing training and career development opportunities.</p> <p>Encourage cross-training so staff gain varied skills (improves service quality and staff.</p> <p>Implement initiatives to support wellbeing consider:</p> <ul style="list-style-type: none">• flexible work• employee assistance program• resources for mental health support• team-building or wellness activities.
Expert	<p>Become an employer of choice in the region: offer above-industry-standard benefits (e.g. Living wage, additional leave, profit-sharing or bonuses tied to ESG goals, health benefits if feasible).</p> <p>Offer mentorship or leadership training for staff.</p> <p>Formalise employee feedback and participation. Hold regular surveys on satisfaction and suggestions, and act on the results. Involve employees in decision-making through committees or strategy meetings.</p>

Social - Customer experience and inclusion

Foundation	<p>Map out the customer journey from booking to post-visit and identify any pain points or areas to enhance with an accessibility lens. Make sure basic local farmer's market, or use a local print shop for your brochures.</p> <p>Implement a simple customer feedback system so you can learn and improve.</p> <p>Implement a formal customer service training program for staff, emphasising empathy, patience, and problem-solving.</p>
Advanced	<p>Invest in accessible and inclusive services: conduct an accessibility review of your facilities and offerings.</p> <p>Personalise and enhance the customer experience using CRM tools or simple notes to remember guest preferences and surprise them through their stay.</p> <p>Provide basic cultural awareness training for staff on key markets.</p>
Expert	<p>Achieve certifications or awards for service quality and inclusivity – for example, pursue accreditation in programs like Rainbow Tick (inclusive of LGBTQ+), Certified AccessibleTravel badges, Autism Accreditation etc.</p> <p>Use tech also to stay connected with customers after their visit (send sustainability updates or anniversary offers to past guests, turning them into repeat visitors).</p> <p>Offer advanced customer service training to support complex problem solving and inclusive practices.</p>

Social - Community engagement

Foundation	<p>Introduce yourself to the local community if you haven't: attend local business or tourism association meetings, say hi to neighbours, and let people know you're receptive to feedback. Building relationships informally is a great foundation</p> <p>Source as many products or services as you can locally – for example, buy produce for your restaurant from the local farmer's market, or use a local print shop for your brochures.</p> <p>Participate in one community event or charitable cause per year to start. This could be as small as donating a gift voucher for a Girl Guide raffle, or as active as having your team volunteer in Clean Up Australia Day. Choose something relevant to your business.</p>
Advanced	<p>Develop a community engagement plan. Identify key community stakeholders (nearby residents, Traditional Owner groups, local schools, councils, NGOs) and plan how to engage with each.</p> <p>Map your supply chain and identify ways to transition towards a local purchase preference.</p> <p>Implement a program for hiring locally and building local capacity.</p>
Expert	<p>Embed community at the core of your business model - consider community-based tourism elements where the community is a partner, not just a beneficiary. For example, develop a tour in collaboration with a local village or Indigenous community, where they co-own the experience and receive direct economic benefits (community-based tourism model).</p> <p>Help facilitate community action across your supply chain and within your region. Act as a connection point to engage artists, producers and suppliers.</p> <p>Formalise support to local causes: choose a cause aligned with your business values (e.g. reef conservation, youth education, Indigenous arts) and commit a regular donation (time or funds) or sponsorship.</p>

Social - Culture and heritage inclusion

Foundation	<p>Participate in one community event or charitable cause per year to start. This could be as small as donating a gift voucher for a Girl Guide raffle, or as active as having your team volunteer in Clean Up Australia Day. Choose something relevant to your business.</p> <p>Ensure any cultural content you share with tourists is accurate and respectful. If you're conveying stories or history not of your own culture, do your research and consult sources.</p>
Advanced	<p>Develop partnerships to more deeply integrate cultural heritage. For example, work with an Indigenous guide or elder to offer authentic cultural experiences as part of your product (with proper agreements and compensation).</p> <p>Provide cultural awareness training for your staff so they understand local Indigenous customs, phrases, and respectful behaviour.</p>
Expert	<p>Champion cultural preservation: actively invest in preserving and promoting local culture. For instance, fund scholarships for Indigenous youth in tourism or hospitality programs, or support a local cultural centre/museum through donations or volunteering your expertise.</p> <p>If relevant, develop a Reconciliation Action Plan (RAP) (an Australian framework for organisations to support reconciliation with Aboriginal and Torres Strait Islander peoples). A RAP outlines concrete steps your business will take in relationships, respect, and opportunities for Indigenous Australians.</p>

Governance - Compliance and basic governance

Foundation	<p>Identify all legal requirements for your business and make a checklist. Ensure that you are aware of and adhering to each.</p> <p>Set up a basic record-keeping system: keep copies (digital or hard) of important documents like permits, inspection reports, contracts, and policies. Maintain a calendar for renewal dates (e.g. “vehicle permit renews every June”).</p> <p>Clearly assign governance roles in your team.</p>
Advanced	<p>Develop written policies for key areas:</p> <ul style="list-style-type: none">• an Employee Code of Conduct• an Environmental Policy• and a Health & Safety Policy at minimum <p>Introduce more structured risk management. Create a risk register listing potential risks (operational, financial, environmental, social).</p> <p>Allocate roles across the organisation to support the monitoring and compliance of policies.</p>
Expert	<p>Implement a routine internal audit or review process. Perhaps quarterly, review finances (revenues, expenses) with a critical eye or with an external accountant to ensure no irregularities.</p> <p>Set up a formalised process of assessing the double materiality of your business. Engage key stakeholders in the process.</p> <p>Begin to track ESG performance with simple metrics (some governance overlaps with environmental/social data): e.g. energy usage, staff turnover, customer satisfaction, number of safety incidents. This data-driven approach will feed into reporting and continuous improvement</p>

Governance - Ethics and transparency

Foundation	<p>Write down your business's core values or principles (integrity, respect, innovation, etc.) and share them with your team. Use these to guide decision making.</p> <p>If any ethical dilemmas arise (e.g. a supplier offers a kickback for a contract), have a zero-tolerance stance. Even if it costs a bit more or takes longer, choose the ethical route</p>
Advanced	<p>Implement an ethics training or discussion for your team. It could be a workshop on scenarios.</p> <p>Increase transparency to customers and the public: clearly communicate your pricing (no hidden fees), your terms and conditions, and also your sustainability efforts.</p>
Expert	<p>Start tracking and publicly sharing certain ethical metrics – for instance, if you have a goal to ensure gender pay equity or diversity, share your workforce gender split or commit to salary transparency ranges.</p> <p>Align with the UN Tourism Global Code of Ethics for Tourism. With a focus on:</p> <ul style="list-style-type: none">• non-discrimination and equity• accessibility• tourist and consumer protection• protection of data privacy• protection of the right to an informed decision• workers' rights and social protection

Governance - Stakeholder engagement and reporting

Foundation	<p>Identify your key stakeholders: usually employees, customers, suppliers, community, and maybe regulators or investors (even if just a bank). Ensure you have at least informal lines of communication with each: e.g. team meetings for staff, feedback forms for customers, chats with suppliers upon deliveries, participation in community events or public forums.</p> <p>Start a simple annual tradition of sharing your business updates with stakeholders. For instance, write a friendly email or social media post at year-end thanking customers and summarising what your business achieved that year.</p> <p>Highlight some of your sustainability efforts and outcomes on your website, including your aspirations and any results to date.</p>
Advanced	<p>Formalise your stakeholder engagement patterns. Use them to review your risk and disclosures, be transparent about your aspirations and the role they play in your commitments.</p> <p>Set a regular reporting and engagement structure with key stakeholder groups – staff, community, suppliers and guests. Highlight the achievements and the failures along your journey.</p>
Expert	<p>Map your value chain and stakeholders that influence your business. Identify opportunities to better engage across the value chain and ask questions about your stakeholders' performance relating to ESG matters.</p> <p>Use your engagement to inspire and empower action across your value chain. Engage those that you work with and rely on to shift their behaviour as well.</p> <p>Integrate your financial and ESG reporting. This means when you produce annual financial statements (even if just for yourself or the bank), you include ESG data alongside financial data, linking how sustainability efforts are contributing to financial outcomes.</p>

Additional support materials

There is a suite of existing resources that can support you in your journey. We recommend the following:

- **Sustainable Tourism Toolkit (Austrade, 2023):** A comprehensive how-to guide developed by Austrade to help Australian tourism businesses become more sustainable ([Sustainable Tourism Toolkit | Austrade](#)). It covers practical steps and includes case studies and templates. A shortened version is available [here](#).
- **Tourism Australia:** Provides a storytelling guide to assist your business in sharing a sustainability story with transparency and integrity ([Tourism Australia | Sustainability Storytelling](#)). It contains checklists and an action plan template that may complement this ESG toolkit.
- **Queensland Tourism Industry Council (QTIC) – Sustainable Tourism Resources:** QTIC provides guides and workshops on sustainability. Check QTIC’s website for their Best Practice Guides (e.g. working with First Nations tourism ([Indigenous tourism - Tourism and Events Queensland](#))) and any current programs.
- **Business Chamber Queensland – ecoBiz Program:** ecoBiz is a free program by Business Chamber Qld (formerly CCIQ) that helps SMEs reduce energy, water, and waste. It offers one-on-one coaching and tools ([Becoming an environmentally friendly business | Business Queensland](#)). Many tourism businesses in Qld have used ecoBiz to cut costs and improve environmental performance.
- **Tourism and Events Queensland (TEQ) – Sustainable Tourism:** TEQ’s corporate site has a section on sustainable tourism ([Sustainable Tourism - Tourism and Events Queensland](#)). They have research and guidelines, such as market research on tourist expectations regarding sustainability or how to leverage sustainability in marketing Queensland. TEQ often shares success stories of tourism businesses in Queensland going green – these can be inspirational and instructive.
- **Local/Regional Programs:** Many regions in Qld have their own initiatives. For example, Tropical North Queensland has a **Sustainability Hub** website listing local news and case studies (like the ones on Green Island Resort and Tropic Wings we cited) and a **Plastic Free Cairns** program.
- **International Inspiration:** For broader ideas, the **UN Tourism** and **WTTC** publish case studies and reports (WTTC’s Tourism for Tomorrow case studies, for instance). **The Travel Foundation** (UK-based NGO) offers open-source toolkits on impacts, and the **Global Sustainable Tourism Council** site often features best practice stories. While global, they can spark ideas that you can localise to Queensland.

Glossary

Biodiversity:

The variety of life in a particular habitat or ecosystem. Biodiversity conservation in tourism means protecting wildlife and plant life in and around the areas where you operate (for example, coral reef health, forest preservation, wildlife safety).

Carbon footprint:

The total greenhouse gas emissions caused directly and indirectly by an entity or activity, usually expressed in equivalent tons of CO₂. For a business, this includes fuel use, electricity, travel, waste (often broken into scopes, see scope). Reducing one's carbon footprint is key to climate action.

Circular economy:

An economic system aimed at eliminating waste and the continual use of resources. In tourism, circular economy principles mean designing operations to reduce waste, reuse and recycle materials, and ideally regenerate natural systems. For example, a circular approach to hospitality would ensure products (like soap, food, linens) are in loops of reuse or recycling rather than one-time use.

Compliance:

Adhering to laws, regulations, and standards. ESG compliance might refer not just to legal compliance (must-dos) but also conforming to voluntary standards or commitments the business has adopted (like maintaining a certification's requirements).

ESG (Environmental, Social, Governance):

A framework for assessing a business's performance and impact in three areas: Environmental (resource use, pollution, climate impact), Social (labour practices, community impact, customer relations), and Governance (management practices, ethics, compliance, risk management). It's essentially sustainability viewed through a business-risk and performance lens.

Governance:

In a business context, governance refers to the structures and processes for decision-making, accountability, control, and behaviour at the top of the organisation. Even without a formal board, governance for an SME means having clear responsibilities, ethical guidelines, and oversight of how the business is run (finances, compliance, strategy).

Greenwashing:

Misleading consumers or stakeholders by portraying an organisation's products or practices as more environmentally friendly or socially responsible than they actually are. It can be unintentional or deliberate. To avoid greenwashing, ensure all sustainability claims are accurate, substantiated with data, and not overstated. Transparency about challenges also helps maintain credibility.

GRI, SASB, TCFD, SDGs:

Acronyms for frameworks – Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-related Financial Disclosures, and Sustainable Development Goals. These provide guidelines on what and how to report or focus sustainability efforts, as discussed in the Reporting section.

Human rights:

Human rights are inherent to all human beings, whatever the nationality, place of residence, gender, nationality or ethnic origin, colour, religion, language, or any other status. All are equally entitled to human rights without discrimination. Human rights are interrelated, interdependent and indivisible. It includes workers and value/supply chain, modern slavery, human trafficking, labour standards.

ISO 14001 / ISO 45001:

International Organisation for Standardisation standards for Environmental Management Systems and Occupational Health & Safety Management Systems, respectively. Businesses can get certified to these to show they have robust management processes in place for environment and safety.

Materiality (material issue):

In ESG, a material issue is one that is sufficiently important that it could influence the decision-making of stakeholders or the financial performance of the business. Materiality helps focus on what matters most. For example, energy use might be a material environmental issue for a hotel (due to cost and emissions), while it might not be as material for a walking tour operator who uses.

Net zero:

A state where an entity has reduced its greenhouse gas emissions as much as possible and any remaining emissions are balanced by removals (offsets) so that the net contribution to the atmosphere is zero. Many businesses set "net zero by 20XX" goals aligned with global climate targets. Achieving net zero often involves significant changes and verified carbon offsetting.

Reconciliation action plan (RAP):

A structured document produced by an organisation (endorsed by Reconciliation Australia) outlining actions to advance reconciliation with Aboriginal and Torres Strait Islander peoples. It has levels (Reflect, Innovate, Stretch, Elevate) and covers relationships, respect, opportunities, and governance related to Indigenous engagement.

Scope 1, 2, 3 emissions:

Categories of GHG emissions in carbon. Scope 1 are direct emissions from sources owned or controlled by the company (e.g. fuel burnt in your vehicles or gas in your boilers). Scope 2 are indirect emissions from purchased energy, mainly electricity (the emissions from the power plant that produces the electricity you use). Scope 3 are all other indirect emissions up and down your value chain – including suppliers (production of goods you purchase), business travel, waste disposal, and product use by customers. For SMEs, Scope 1 and 2 are easier to measure; Scope 3 is broader but important for full impact.

SDGs:

Adopted by all United Nations Member States in 2015, Agenda 2030 provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries, developed and developing, in a global partnership.

Stakeholders:

Individuals or groups that affect or are affected by an organisation's activities. For a tourism SME, stakeholders include employees, customers, suppliers, community members, government/regulators, industry partners, and possibly investors or creditors. Stakeholder engagement is the practice of interacting with and understanding the needs of these groups.

Sustainable tourism:

Tourism that takes full account of current and future economic, social, and environmental impacts, addressing the needs of visitors, the industry, the environment, and host communities (Sustainable development). In practice, it means tourism that minimises negative impacts and maximises positive benefits to destinations.

Value chain:

The series of activities and stakeholders involved in delivering a tourism experience, from initial customer engagement to post-visit services. It includes suppliers, accommodation providers, transport, attractions, and support services, each adding value to enhance the overall visitor experience.



Contact Us

P 07 4898 6800

E mackay@dsdilgp.qld.gov.au

www.statedevelopment.qld.gov.au

PO Box 710, Mackay Qld 4740

Level 4, 44 Nelson Street, Mackay



Queensland
Government