International Labour Organization

Government of Tonga

Market and skills systems analysis of the (eco-)tourism and hospitality sector in Tonga

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First published 2026.

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DOI: https://doi.org/10.54394/00033259
ISBN: 9789220432310 (print); 9789220432327 (web PDF)

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Printed in Tonga

Acknowledgements

This report was prepared by ILO consultants John Cvetko. The overall coordination of the report was managed by Helen Kirsch and Mahanam Mithun, Technical Officer, in the ILO Office for Pacific Islands Countries.

The report authors and the ILO sincerely thank all the constituents and other respondents for the valuable insights they provided upon review of the draft report, as well as those who participated in the fruitful and lively discussions during the validation workshop. Also appreciated are the technical contributions and feedback received from Tonga Ministry of Trade and Economic Development (MTED) and Tonga Chamber of Commerce and Industries.

This report has been produced as part of Advancing the SDGs by Improving Livelihoods and Resilience via Economic Diversification and Digital Transformation project and the Pacific Climate Change, Migration and Human Security – Phase II (PCCMHS) programme.

The PCCMHS programme is implemented by the ILO, the International Organization for Migration (IOM), the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), and the Office for the High Commissioner for Human Rights (OHCHR) along with the Pacific Islands Forum Secretariat (PIFS) and the Platform on Disaster Displacement (PDD). The PCCMHS programme is supported by the New Zealand International Development Cooperation Programme.

Preface

Tourism has long been recognized as a cornerstone of Tonga's economy, contributing significantly to growth, livelihoods, and community development. It is not only a source of jobs and income but also a vital pathway for cultural exchange and environmental stewardship. Yet, as this study highlights, the sector faces complex challenges, from skills shortages and outward migration to the lingering impacts of natural disasters and the global pandemic.

This Market and Skills Systems Analysis of the Tourism and Hospitality Sector in Tonga offers an evidence-based understanding of both the obstacles and opportunities that lie ahead. It underscores the critical importance of a skilled, adaptable, and motivated workforce to ensure that tourism continues to deliver decent work opportunities and sustainable benefits for all Tongans. At the same time, it calls for strengthened collaboration between government, employers, workers, communities, and development partners to build resilience and diversify Tonga's tourism products.

The International Labour Organization is committed to supporting Tonga in advancing these goals. Through the Advancing the SDGs by Improving Livelihoods and Resilience project, and the Pacific Climate Change, Migration and Human Security programme, we will continue to work closely with our national constituents and partners to promote skills development, quality employment, and sustainable enterprise growth.

This report is not only a diagnostic tool; it is also a roadmap. Its recommendations provide a foundation for Tonga's upcoming Tourism Roadmap 2025–2030, ensuring that the voices of workers, employers, and communities are fully integrated into strategies for recovery and long-term development.

On behalf of the ILO Office for Pacific Island Countries, I wish to thank the Ministry of Trade and Economic Development, the Ministry of Tourism, the Tonga Chamber of Commerce and Industry, and all stakeholders who contributed their time and insights to this study. Your commitment and collaboration will be central in ensuring that Tonga's tourism sector continues to thrive, providing decent work, resilience, and prosperity for current and future generations.

Martin Wandera

Director
ILO Office for the Pacific Island Countries

Foreword

Tourism remains at the heart of Tonga's economic aspirations, contributing significantly to employment, private sector expansion and national development. As a small island developing state, Tonga's prosperity is closely linked to how effectively we harness our natural, cultural and human resources to build a resilient, inclusive and competitive economy. The tourism sector plays a critical role in this endeavour, particularly in supporting livelihoods, stimulating entrepreneurship and enabling development opportunities for communities across Tongatapu and the outer islands.

This *Market and Skills Systems Analysis of the (Eco-) Tourism and Hospitality Sector in Tonga* comes at a timely moment. As Tonga continues its recovery from the compounded impacts of COVID-10 pandemic, natural disasters and global economic pressures, there is a clear need for evidence-based policy and coordinated action. This study provides a comprehensive and honest assessment of the structural, market and skills challenges facing the sector, while also identifying opportunities for diversification, innovation and sustainable growth.

The findings of this report reinforce the importance of placing people and skills at the centre of tourism development. A capable, work-ready and motivated workforce is essential to improving service quality, strengthening international competitiveness and ensuring that tourism delivers decent work and long-term benefits to Tongans. Equally, the analysis highlights the need for stronger alignment between education and training systems, private sector demand, and government policy frameworks.

The Ministry of Trade and Economic Development recognizes that addressing these challenges cannot be achieved by government alone. Strong partnerships between Ministries, Employers, Workers, Training Institutions, Communities and Development Partners are essential. This report provides shared evidence base to support constructive dialogue, coordinated planning and practical reforms across institutions.

The recommendations presented in this study will shape the development of the key tourism policies, ensuring that future strategies are aligned with labour market realities, private sector needs and sustainable development objectives. The Ministry of Trade and Economic Development is committed to working closely with the Ministry of Tourism, the Ministry of Education and Training, the private sector and social partners to effectively implement these recommendations.

On behalf of the Ministry of Trade and Economic Development, I extend sincere appreciation to the International Labour Organization, the authors, stakeholders, tourism operators and partners who contributed their time, expertise and perspective to this study. Your contributions are valuable in shaping a tourism sector that is resilient, inclusive and capable of delivering meaningful employment and economic opportunity for present and future generations of Tongans.

Hon. Dr. Viliami Uasike Latu

Deputy Prime Minister & Minister
Ministry of Trade and Economic Development
Kingdom of Tonga.


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Executive summary

Tonga's tourism sector holds potential as a catalyst for economic growth, employment creation and community development. However, the sector's development is constrained by structural, human resource and market-related challenges that must be addressed to ensure its resilience and sustainable contribution to the country's economy. Tourism directly contributes between 10 per cent to 11.4 per cent of Tonga's GDP and makes up 5.1 per cent of employment in the country (1,478 individuals), divided across accommodation, food and beverage services (887 individuals), travel agencies and other reservation activities (184 individuals), cultural and recreational activity providers (10 individuals), and transport staff (381 individuals)[1] (ILO LFS Microdata for Tonga, 2023).

The *Sector Study – Market and Skills Systems Analysis in the Tourism and Hospitality Sector Study* identifies and documents market and skills barriers in order to catalyst economic growth, employment creation and community development, highlighting potential solutions and/or areas requiring intervention.

Summary of findings

The need for a skilled and capable workforce

A central factor underpinning the performance and resilience of Tonga's tourism industry is the availability of a skilled, adaptable and motivated workforce. A quality tourism workforce drives visitor satisfaction, repeat visitation and international competitiveness. Importantly, well-trained workers improve environmental sustainability through responsible tourism practices – a key requirement for fragile ecosystems like Tonga's.

However, persistent labour shortages, compounded by both permanent and temporary outward labour migration, as well as a resource-constrained vocational training system, and the resulting perceived mismatch between educational outputs and industry needs, constrain workforce quality. A survey and interviews conducted with tourism enterprises for this study reveal significant employer dissatisfaction with graduates' technical and soft skills, alongside concerns over students treating education as a pathway to migration, rather than employment in the domestic labour market. Equally, students interviewed for this study said that employers often fail to provide meaningful job placements and criticized internships as unstructured and exploitative, and therefore not genuine learning opportunities, leaving them discouraged with Tonga's labour market, reinforcing their migration aspirations.

External disruptions and natural disasters

Natural disasters, including the 2022 Hunga Tonga-Hunga Ha'apai volcanic eruption and tsunami and Cyclone Harold, have significantly disrupted Tonga's tourism sector. The Hunga Tonga-Hunga Ha'apai alone damaged or destroyed 32 per cent of the country's room supply (Tonga, MOT 2022), with many either still not rebuilt or unlikely to be so.[2] This continues to impact Tongatapu, and when combined with the loss of the Tonga yacht charter industry in Vava'u represents a loss of over 100 tourism rooms/berths and an estimated reduction of 90–150 direct jobs, with additional losses across the supply chain.[3] The slow pace of tourism infrastructure recovery has further strained employment and investment in affected areas.

1 See Annex 2 for a list of four-digit codes considered to belong to the tourism sector in the International Standard Classification of Occupations (ISIC).

2 Including resorts such as Liku'alofa, Vakaloa Ha'atafu, Holty's Hideaway, Blue Bananas, Royal Sunset and Fafa Island.

3 That is, in local transport, catering, tours, domestic aviation, food and beverage supply, building services and so on.

Labour migration and its effects

Temporary labour migration via programmes such as Australia's Pacific Australia Labour Mobility (PALM) and New Zealand's Recognised Seasonal Employer (RSE) schemes has generated remittances for Tonga. However, it has also depleted the local tourism labour pool. The quantitative survey conducted with 101 tourism enterprises as part of this study indicates that 64 per cent of tourism operators struggle with losing workers to overseas schemes. These losses are felt more acutely during Tonga's peak tourism season (July to October).

Importantly, the qualitative interviews conducted for the study highlight that the allure of migration is driven not just by wages but also by the perception of greater personal and professional development opportunities abroad. Without competitive working conditions, structured career pathways and adequate wages, the domestic tourism industry struggles to retain young talent.

The Universal Declaration of Human Rights asserts the right of freedom of movement, both within a country and across borders. Tonga has a long history of migration, and this current phase is a further evolution. Restricting migration, whether in the short or long term, as a means of increasing labour availability for the tourism sector would limit this basic right. Labour migration and tourism growth do not need be mutually exclusive. If regional temporary labour schemes place an increased focus developing workers' skills prior to their return, the schemes could ultimately contribute skilled human resources to the Tongan tourism sector – so long as systemic improvements are made within the tourism sector itself to make it an appealing choice for employment.

Product loss and market contraction

The combined impacts of natural disasters and underinvestment have contracted Tonga's tourism offerings, particularly coastal and marine tourism products, which are the cornerstone of the country's tourism brand. Many iconic coastal resorts have yet to rebuild in the wake of natural disasters, resulting in diminished accommodation capacity and reduced product diversity. Surfing, snorkelling, kayaking and hospitality options that were once plentiful on the northwest coast of Tongatapu are now non-existent. This limits visitor experience options and exacerbates pressure on natural resources, such as whale watching operations, which now bear disproportionate tourism demand. Tonga's whale watching industry is a core national tourism asset and a flagship attraction, but it is not being adequately protected, respected and managed.

Stakeholders also report that outer islands face increased tourism seasonality, largely narrowed to the whale watching season, which further limits employment stability. This has the potential to impact the credibility of Tonga as a tourism destination as other whale watching destinations develop. The loss of Tonga's yacht charter sector in the aftermath of the COVID-19 pandemic is seen as a major economic setback, and warrants a rethink of government investment and tax policy to enable sector development.

This loss of yacht and land-based accommodation options represents an equivalent to losing in excess of 30,000 available room nights per annum.

Training and vocational education gaps

Access to effective, industry-aligned training is a critical limiting factor. In the survey for this study, 57 per cent of tourism enterprises reported difficulty finding skilled workers, and 41 per cent said they struggle to recruit vocationally educated school leavers with the required technical skills to meet the needs of the tourism sector. The whale watching subsector, for example, suffers from a shortage of certified guides and skippers with practical competencies. Existing training programmes, though formally accredited, lack sufficient real-world application and fail to produce graduates with the necessary confidence, customer service skills and technical expertise.

This problem is exacerbated by the absence of structured collaborative partnerships between vocational institutions and industry to guide course content. Current placement models often treat students as supplementary labour rather than future skilled employees. There is a clear opportunity to improve tourism vocational education by integrating short-term modular training and competency-based models, promoting industry-led mentorships, and incentivizing on-the-job learning. Apprenticeships, which were piloted in 2024, offer an opportunity to improve pathways and delivery timeliness in the field of cookery.

Visitor expectations and evidence-based improvement strategies

While recognizing the value of Tonga's cultural experience, Tonga's International Visitor Surveys continue to reflect a failure to address poor customer service and the inconsistent quality of tourism experiences. While some progress has been made in accommodation standards, improvements in customer service across tourism products and government ministries that visitor engage in has not. Tourism associations have a greater role to play in leading improvement strategies, particularly in the era of customer service.

Visitor perceptions are impacting repeat visitation by reducing visitors' **willingness to return** and affect referrals to new travellers by reducing visitors' **willingness to recommend** Tonga as a destination. The failure of the domestic airlines to provide consistent low risk outer island connections significantly compounds consumers' potentially negative perception of and risk appetite to travel to Tonga. There was anecdotal evidence presented during the interviews for this study that issues with domestic air travel is even limiting the willingness of the Tongan diaspora community to travel to the outer islands when they visit the country.

Policy and institutional challenges

Operators identify significant administrative and policy challenges as barriers to tourism development. These include inconsistent licensing processes, timeliness of licensing, bureaucratic delays, weak enforcement of environmental regulations and ineffective engagement with industry. Such issues reduce business confidence, limit investment and – crucially – restrict employment growth.

For example, whale watching licensing, essential for the tourist economy, has in some years been delayed until just before the start of the season, as it was again in 2025, undermining the ability of businesses to plan, hire staff and confirm contract commitments to inbound clients and booking partners. Stakeholder interviews also highlight that tourism and business policies need to be reviewed to find a better working focus between compliance and audits in order to enabling sector development and workforce growth.

Government and private sector leadership

The Ministry of Trade and Economic Development, the Ministry of Tourism and the Ministry of Public Enterprise are viewed as the key enablers of the tourism economy, but are often not meeting operators' expectations. While these agencies support tourism growth, operators expressed frustration with policy delivery, inefficiencies and barriers such as inconsistent services, communication breakdowns and air connectivity challenges. While some strong support and working relationships were noted at the operator-to-ministry level, operators note that inconsistent directives across ministries and third-party influence have allowed some operators to trade in a manner that is inconsistent with national guidelines and regulations. Strengthening consultation and collaboration such that the private sector can engage transparently with key decision-makers in government is critical to a successful tourism sector that lifts Tonga's GDP. As the Government and the private sector collaborate further to develop strategies to enhance the work-readiness of the Tongan workforce, increased engagement by the Ministry of Education and Training will also be critical to evolve syllabus content in line with feedback received from the tourism sector.

The performance of the domestic airline, unavailability of aircraft and cancellations has impacted both visitors and Tongans visiting family, and is impacting decision-making concerning whether to visit Tonga. The tourism sector is calling for increased Tongatapu–Vava'u routes via international carriers to reestablish consumer confidence in the ability to access this outer island of Tonga.

The Tongan economy would benefit from a more proactive private sector, with rebuilding the Tonga Chamber of Commerce and Industry (TCCI) being an economic priority. A strengthened TCCI advocating for the private sector would provide the Government with private sector insights into growth, strategy and opportunity, which could positively impact GDP and employment creation. Private sector advocacy should be seen as a partnership opportunity to effect positive change in Tonga's tourism sector.

Equally important is the strengthening of tourism sector-based associations, with their specific focus on matters related to the sector. Representative groups will benefit from clarifying their scope and coordinating their areas of influence and subject matter expertise.

As Tonga moves to develop the new Tonga Tourism Roadmap for 2025–2030, there is a need for employers' associations that can meet the challenges and support the private sector by taking an active and accountable role in designing and supporting a sustainable development agenda. The Tonga Tourism Roadmap 2025–2030 must consider and address the evidence provided in studies such as the International Visitor Surveys and research reports targeted at yachting, labour market and training, cruise ships and environmental impacts. The voice of the private sector and investment must be central and hold equal weight to the public sector in the development of the road map.

Opportunities for sector diversification

Despite these challenges, niche tourism segments – eco-tourism, adventure, cultural heritage and yachting charters – offer significant potential for employment expansion. Prior to the COVID-19 pandemic, the yachting charter sector was a cornerstone of the tourism economy, supporting both direct employment and a diverse range of small businesses ranging from yachting supplies and catering to women-led handicraft enterprises. The loss of Tonga's yacht charter sector in the aftermath of the pandemic, in part due to unsupportive government investment and tax policies, is seen as a major economic setback.

A revitalization of this sector could diversify Tonga's tourism portfolio, lengthen the tourism season and create year-round employment opportunities. However, success will depend on targeted government and private sector collaboration, improved infrastructure and human capital development.

Equally critical and as part of developing the Tonga Tourism Roadmap 2025–2030, stakeholders will need to address incentives and strategies to cultivate investment in coastal and water-based resort developments.

Employment creation potential

The tourism sector is inherently labour-intensive and offers employment potential across multiple skill levels, from entry-level hospitality positions to specialist roles such as whale watching guides, eco-tourism operators, marine mechanics and cultural interpreters. In particular, the outer islands could benefit from sectoral expansion through eco-tourism and diversified marine activities, creating more resilient year-round employment.

To unlock this employment potential, Tonga needs:

- **To embed skills interventions into sector development and priority strategies** through collaborative and measurable education, private sector and government planning.
- **A reliable, skilled and motivated workforce**, developed through improved vocational education and industry partnerships.
- **Diversified tourism products** to reduce seasonality and create year-round jobs.
- **Stronger policy frameworks** that enable investment and promote business confidence.
- **Industry partnerships** that share responsibility for training content, course development and delivery.
- **Public–private partnerships** that share responsibility for policy planning and sector development strategy.

- **Mitigation of migration pressures**, not by limiting migration, but by making tourism a viable and competitive career option locally.

The sector's future and ability to build employment opportunity for working aged population depends on addressing these systemic gaps to ensure that tourism can continue to serve as a driver of sustainable economic growth and meaningful employment for Tonga's communities.

Risks and recommendations

Category	Type	Detail
Skills	Recommendation	Develop short, modular and competency-based vocational training programmes that can be accessed singularly or built upon.
Skills	Recommendation	Align training curricula with industry needs through strong partnerships.
Skills	Recommendation	Training institutions to explore partnerships that provide for in situ training experiences for students, for example, housekeeping at hotels.
Skills	Recommendation	Promote mentorships and structured on-the-job training opportunities with accountability to both the training institution and the employer.
Skills	Recommendation	Expand tourism apprenticeships in hospitality (Cookery).
Skills	Recommendation	Enhance tourism's appeal through competitive wages, working conditions and advancement pathways.
Skills	Recommendation	Increase the participation of industry-based sector experts as trainers to support vocational institution.
Skills	Risk	Outward migration of skilled workers limits domestic workforce availability.
Skills	Risk	Mismatch between training output and industry needs; low confidence in graduates' readiness.
Skills	Risk	Unstructured internships discourage youth from local tourism employment.
Skills	Risk	Weak vocational partnerships and lack of practical training models.
Skills	Risk	Limited incentives and career pathways make tourism unattractive to youth.
Market	Recommendation	Establish policies which promote the development of ecotourism, cultural and adventure-based offerings.
Market	Recommendation	Apply a research- and evidence-based approach to developing whale tourism policy and planning.
Market	Recommendation	Rebuild coastal resorts and the charter yacht subsector through investment-friendly policies.
Market	Recommendation	Streamline business licensing and regulation processes to improve investors' and operators' confidence, aligning to business cycles, for example, whale watching licences.

Category	Type	Detail
Market	Recommendation	Enhance environmental standards enforcement in marine tourism.
Market	Recommendation	Improve aviation transport connectivity to Tonga and between islands.
Market	Recommendation	Support payment infrastructure and digital tools for remote tourism operators.
Market	Recommendation	Rebuild and empower the TCCI and tourism associations for unified advocacy.
Market	Recommendation	Institutionalize regular public–private dialogue for policy co-creation between the private sector and government.
Market	Recommendation	Improve transparency and governance in licensing and regulatory oversight.
Market	Recommendation	Use digital formats to include outer island operators in workshops and planning.
Market	Recommendation	Incorporate climate resilience and sustainability into tourism planning.
Market	Risk	Limited and lost tourism product diversity limits seasonality, placing overreliance on whale watching.
Market	Risk	Significant infrastructure loss from disasters reducing accommodation capacity and tourist experiences.
Market	Risk	Weak regulation and oversight of whale watching subsector, threatening sustainability and reputation.
Market	Risk	Bureaucratic delays and inconsistent licensing deter investment (internal and external) and restrict business growth.
Market	Risk	Poor connectivity and limited flights to outer islands constrain market access.
Market	Risk	Global competition and economic pressures reduce travel demand to Tonga.
Market	Risk	Weak institutional coordination and unclear lead contacts across government agencies.
Market	Risk	Limited communication and collaboration between government and industry.
Market	Risk	Under-resourced tourism associations with fragmented mandates.
Market	Risk	Data and tracer study gaps hinder workforce and market planning.
Market	Risk	Little to no tourism business investment from the Tongan international diaspora community
Market	Risk	High vulnerability to natural disasters and global shocks.

1

Introduction

A skilled and capable tourism workforce is crucial for the economic, social and environmental sustainability of small island nations such as Tonga, where the tourism and hospitality sector plays a key role. Investing in and developing well-trained personnel are therefore vital to ensuring high-quality service, visitor satisfaction and long-term industry growth.

The tourism and hospitality sector is a major contributor to Tonga's GDP, accounting for 10.7 per cent over the period 2015–2020 (GlobalEconomy.com, n.d.), and forecasted to hold a similar level of prominence (10–11.4 per cent) over the coming decade (WTTC 2024).

In the highly competitive global tourism industry, small islands can distinguish themselves through personalized service, unique cultural offerings and superior hospitality. A skilled workforce enhances service quality, leading to increased visitor spending, repeat tourism and stronger economic benefits. By ensuring professionalism and efficiency, trained workers help maintain tourism as a reliable export revenue source.

Importantly, the tourism and hospitality sector (hereafter referred to as the "tourism sector") in Tonga provides employment opportunities across multiple sectors, from hotels and transportation to entertainment and retail. A skilled local workforce that is renumerated competitively reduces reliance on foreign labour and ensures that economic benefits remain within the community.

Tonga has fragile ecosystems, and therefore tourism interactions require careful management. A knowledgeable workforce can promote responsible tourism practices, ensuring environmental sustainability while still benefiting from natural attractions. Eco-tourism initiatives, the protection of nature and vulnerable species, waste management, and conservation efforts depend on tourism workers and stakeholders who understand the balance between development and preservation.

An appropriately trained tourism workforce also plays a key role in preserving and promoting local culture and traditions. Authentic storytelling, heritage tourism and locally crafted experiences enhance Tonga's appeal as a destination. Additionally, skilled entrepreneurs can develop niche tourism sectors like wellness, adventure or culinary tourism, fostering innovation and attracting diverse markets.

Given the key role that tourism plays in the economy and its potential as a priority sector for job-rich growth, the ILO, in partnership with the Ministry of Trade and Economic Development (MTED), commissioned a market and skills systems analysis of the tourism sector in Tonga. The assessment was carried out in close collaboration with the MTED and stakeholders in the tourism sector through stakeholder interviews and an online business sentiment survey.

This analysis seeks to:

- identify key constraints and opportunities in Tonga's tourism sector;
- assess the current skills landscape and present future needs;
- identify opportunities for sustainable and green development; and
- provide recommendations for sustainable sector growth and improved skills development.

These objectives align with the stated objectives and priorities of the Government of Tonga, including the Tonga Strategic Development Framework 2015–2025. At the recent National Tourism Forum (13–14 March 2025), Viliami Takau, CEO of Tonga's Ministry of Tourism, launched the development of the Tonga's Tourism Roadmap 2025–2030, which he cited as being "instrumental in guiding the Ministry as well as key stakeholders on how best we can tap into potential of tourism to drive sustainable development for Tonga". The road map, expected to be finalized in October 2025, will address economic growth and job creation strategies, with a focus that includes benefits to Tonga's economy and communities, while preserving natural resources.

2 Methodology

This project applied a mixed methods approach that utilized both quantitative and qualitative data, including from desk research, in-person interviews and a survey of tourism and hospitality businesses. The analysis was designed to identify barriers that may directly or indirectly affect the opportunities for growth in Tonga's tourism sector and the availability of appropriately skilled staff to facilitate that growth.

The information was analysed using a market systems approach, as outlined in box 1 below. This report seeks to understand the current sentiments and positions of stakeholders in Tonga's tourism sector, the sector's readiness to sustainably expand, and the barriers to product and employment growth, in particular the labour market's ability to meet the needs of the sector. The ultimate aim is to identify strategies that can serve as catalysts for job creation and sustained opportunities in Tonga.

Concerning tourism stakeholders' sentiments and positions, the study sought to examine the following themes that might impact the capability of Tonga's labour market to provide sustainable employment opportunities in the sector:

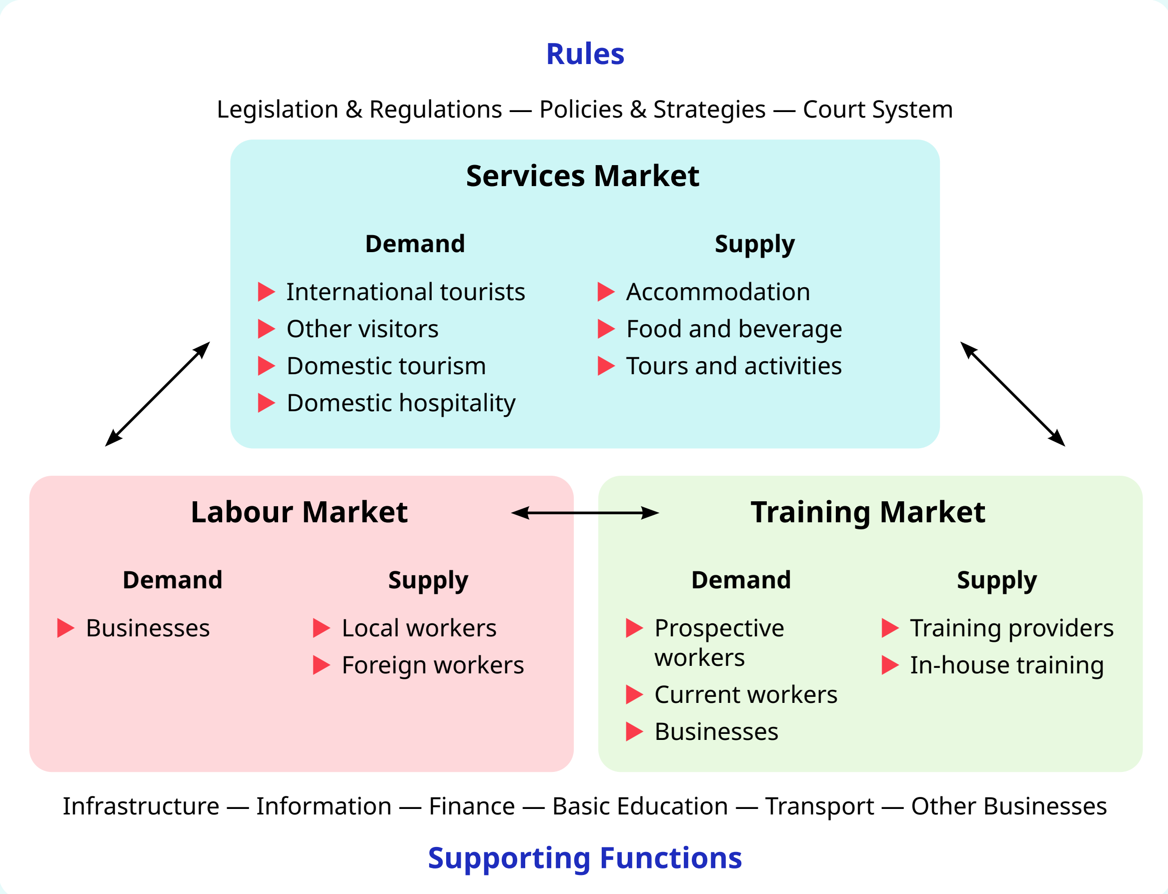
- policy development and leadership;
- market attributes;
- market growth/trends;
- incentives/collaboration;
- current sector capability;
- skills (market supply) – labour scarcity;
- investment and expansion; and
- legislation and barriers to trade.

For this study, the "Tongan tourism sector" is defined as encompassing all economic units of the following types in the main island groups of Tongatapu (including 'Eua), Ha'apai, Vava'u and the Niuas:

- accommodation providers;
- tour operators, tour guides and tourist-oriented activity providers;
- bars, cafes, restaurants and ready-to-eat food vendors;
- tourist-oriented performing artists, as well as cultural attractions, sports activities and agritourism;
- transport (air, land and sea); and
- handicrafts and souvenirs.

Annex 2 below provides a detailed list of occupations that fall under the definition of the tourism sector used in this study, organized by activity type and International Standard Industrial Classification (ISIC) code.

▶ Box 1. Overview of a market systems approach to enterprise and skills development



The **services market** is where businesses supply tourism and hospitality services demanded by customers, including accommodation, food and drink, tours, and event services. Providers range from large resorts to small food stalls.

The **labour market** is where workers supply labour demanded by businesses.

The **training market** is where training institutions supply training demanded by trainees and businesses.

2.1. Data collection instruments

2.1.1. Desk review

The desk review sourced a wide-ranging selection of information exploring tourism recovery and tourism development, vocational training and education, tourism sustainability, the impact of migration, labour mobility schemes and social community constructs. Focus was given to information that had a relevance to small States, regional areas and growing economies with issues and opportunities similar to those facing Tonga. A wide range of material and opinion has been published regarding the tourism impacts of the COVID pandemic and its ongoing economic influence on key travel markets, providing insights for the period since 2020.

2.1.2. Stakeholder interviews

A total of 57 formal interviews were undertaken, including with tourism enterprises, non-government organizations (NGOs) and government officials. In all, 36 of the interviews were conducted with stakeholders in Tongatapu, with the remaining 21 were held in Vava'u. Most of the interviews (n=50) were conducted face-to-face, with the remainder being conducted online. Table 1 below provides an overview of the types of stakeholders interviewed, and a more detailed list of the tourism enterprises interviewed can be found in Annex 1 of this report.

The formal stakeholder interviews were semi-structured in nature, using pre-prepared questions addressing the themes noted above. Several participants were interviewed on multiple occasion to revisit information and ideas being presented across the range of interviews conducted. The MTED's Tongatapu and Vava'u offices provided administrative support in coordinating the interviews. Interviews typically ranged between 50 and 80 minutes in duration.

In addition, further insights were collected from 12 informal meetings and conversations while in the country.

▶ Table 1. Overview of stakeholders interviewed for the study

Type of stakeholder	No. of interviews
Tourism sector enterprise	35
Tongan Government	4
Community or environmental NGO	3
Development agency	4
Education provider/stakeholder	6
Industry representative body	3
Private sector other	2
Total	57

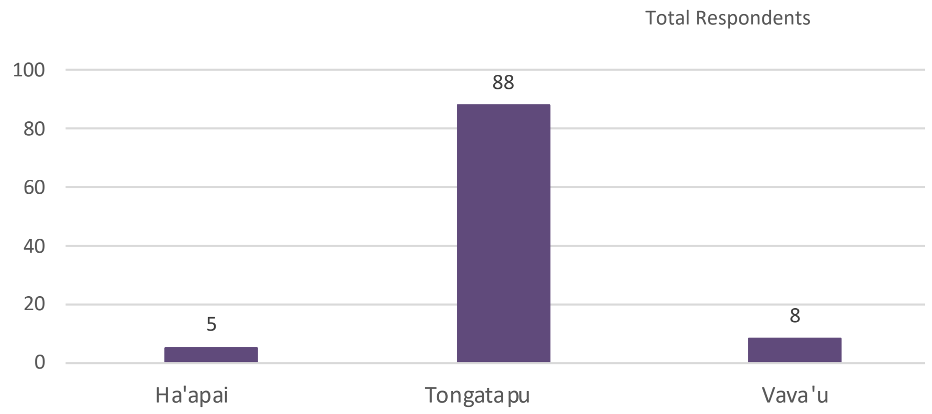
2.1.3. Focus group

In addition to the interviews, a focus group discussion was held with prospective graduates from the Tonga National University and the Áhopanilolo Technical Institute (ATI) to explore their prospective job opportunities and experiences with the tourism sector.

2.1.4. Quantitative tourism enterprise survey

The MTED also facilitated an online Business Sentiment Survey, which was completed by 101 tourism enterprises (see figure 1 and table 2). The surveyed businesses employed a total of 1,032 workers across 13 tourism occupations. The surveyed enterprises represent approximately 69.8 per cent of all tourism employment in the country, and the survey results can be considered to be broadly representative of the sector as a whole.[4]

▶ Figure 1. Number of surveyed tourism enterprises by location



▶ Table 2. Overview of the primary service/products offered by the surveyed tourism enterprises

Services/products	No. of enterprises
Accommodation	25
Arts and cultural attractions	13
Aviation	1
Food and beverage	46
Land transportation	3
Maritime transportation	1
Nature tourism – Marine-based	4
Tour operators / Nature tourism – Land-based / Visitor information centres	7
Other	1
Total	101

4 See, however, section 2.3 below for how the survey may not be fully representative at the region level, particularly in regard to Vava'u.

2.2. Conceptual definitions

Throughout this report there are several concepts that will be referred to and used to frame the context of the analysis. This section provides brief definitions of these concepts as they have been applied in this study:

Qualification: A formal expression of the vocational or professional abilities of a worker that is recognized at the international, national or sectoral level. A qualification generally involves an official record of achievement that recognizes successful completion of education or training, or satisfactory performance in a test or examination, such as a certificate, diploma or degree.

In Tonga, there are courses of study that are defined as "Accredited Qualifications" by the Tonga National Qualifications and Accreditation Board (TNQAB). A series of courses delivered by the Tonga National University and Christ's University in Pacific have this level of accreditation and the awards issued are endorsed by the TNQAB.

The University of the South Pacific (USP) course qualifications align with the Fiji Qualifications Framework (FQF). Additionally, USP qualifications are recognized in Australia, New Zealand and the United Kingdom of Great Britain and Northern Ireland.

While Tonga's vocational institutions supporting the Tourism sector are registered with the TNQAB, each institution manages their own curriculum, while working to align it with the registered national qualifications and registered national standards provided by the TNQAB. However, these curricula do not currently meet the standard required to offer TNQAB Accredited Qualifications and are not aligned to any international competency or award framework.

Skill refers to having the ability to carry out a mental or manual activity, acquired through learning and practice. "Skill" is an overarching term that includes knowledge, competency and experience, as well as the ability to apply these to complete tasks and solve work-related problems.

Skills shortage: A quantitative term to describe a situation in which certain skills are in short supply; for example, where the number of jobseekers with certain skills is insufficient to fill all available job vacancies seeking those skills.

Skill gap: Used as a qualitative term to describe a situation in which the level of skills of an employee or group of employees is lower than that which is required to perform the job adequately, or the type of skills held by a worker do not match the job requirements.

Labour shortage: Labour shortages occur when labour demand exceeds the available supply of labour. This is the case whenever the number of unfilled vacancies significantly and durably exceeds the number of available workers in a specific (economic or geographical) area. This reflects an insufficient number of people in the labour market who may or may not have sufficient skills.

The **visitor economy** encompasses all economic activity resulting from visits, including business travel, education, events and leisure, whether the visitor is domestic, international or from the diaspora Tongan community.

The **tourist economy** typically refers to leisure and holiday travel, often focusing primarily on international tourists (regardless of origin) and tourism-related services such as accommodation, tours and attractions.

The tourism economy serves as the primary catalyst for tourism product growth and investment, surpassing the broader visitor economy in driving targeted development. This is largely due to the tourism economy's emphasis on leisure and international travel, which directly influences infrastructure development, foreign direct investment and economic policy.

2.3. Limitations

Key informant interviews

As noted above, the consultant undertook 57 interviews, including 50 face-to-face interviews conducted over a two-week period and seven remote interviews held both prior to and following the in-country visit. Identification of relevant stakeholders was done through a combination of consultant research and the inputs and connections of staff at the MTED. The consultant's prior experience working with Tonga's tourism sector assisted in identifying participants. Where the consultant sought to research businesses via Tonga's tourism website, the information was often found to be missing or outdated.

The MTED's involvement was invaluable to contacting stakeholders when in country. The MTED communicated the study via direct mailout, and there would be benefit in future to expand communication and distribution with the Ministry of Tourism, tourism associations and the Tonga Chamber of Commerce and Industry.

During the visit, Lulutai Airlines cancelled a flight from Vava'u to Tongatapu due to adverse weather. This led to three additional days in Vava'u and the loss of scheduled Tongatapu appointments. Some additional Vava'u interviews were scheduled to compensate.

Sample sizes

Ha'apai businesses were captured in the quantitative survey, but the opportunity did arise not conduct qualitative interviews with Ha'apai tourism operators.

In addition, the low ratio of survey responses from Vava'u – that is, the number of responses versus the number of available businesses – may in some cases mean that the survey results do not fully represent the region's position. However, information obtained via a large representation of qualitative interviews with tourism stakeholders in Vava'u offered the opportunity to gain further context and representation on key matters.

Data analysis

The delayed survey launch, in November 2024, resulted in additional challenges to the survey team with end of year, Christmas and New Year delaying data capture. The survey was limited to being completed face-to-face with the assigned MTED officer. Future surveys should seek to simplify the process and allow additional surveys to be completed via a mix of face-to-face management or self-completion, with the officer available through a call support option.

Qualification and course information

Information relating to the total number students undertaking post-secondary education in Tonga was limited, with the TNQAB not having access to a comprehensive list of students receiving qualifications from training providers each year. Tracer study data was requested from key training providers to understand where students have applied their qualifications, but no institution was able to provide this data. This represents a significant gap in labour policy planning capacity.

Published information relating to the range of courses offered and the certificate level of these courses were available from several sources online. However, these online sources appear to have inconsistencies and to provide information that is out-of-date.

3

Overview of Tonga's tourism service market

The following key findings are drawn from a research process that combined desk-based research, qualitative interviews and survey responses. Together, these methods provided a broad and balanced perspective, incorporating both empirical data and the lived experiences and professional insights of stakeholders. The findings outlined below reflect the common themes, challenges, opportunities and recommendations identified throughout the research.

3.1. Current state of play

3.1.1. Visitor arrivals

Visitor arrival data has been extrapolated from monthly and annual reporting by the Tonga Statistics Department. The visitor data reviewed focused on bona fide visitor segments, highlighting:

- arrivals by air – visitors (including holiday, business, other reasons and reasons not stated visitors);
- arrivals by air – visiting friends and relatives (VFR);
- cruise ship arrivals; and
- cruising yacht arrivals.[5]

Air arrivals – Visitor (Tourism)

There were 33,228 visitor arrivals in 2024, which represents a 5.23 per cent decrease against the 2015–19 five-year average of 35,060 and a 19.6 per cent decrease against 2019 arrivals (41,258).

Between 2012 and 2024 – but excluding the COVID-19 pandemic years of 2020–22 – there were only five years where visitor arrivals grew on the prior year, which showcases inconsistent and/or sluggish performance. Between 2012 and 2019 the average annual growth rate was 5.88 per cent. Although it must be noted that this achievement is a result of an extraordinary one-off increase in 2019, as the average annual growth rate for the period 2012 to 2018 was only 2.29 per cent.

5 While this report explores tourism labour market skills and capability in servicing these segments, the following activities should also be noted for reference.

- The PACER Plus Implementation Unit has called for proposals from skills consultants to develop Tonga's Cruise Tourism Industry Strategy and Action Plan, which should provide further insights into the specific needs of this market segment (January 2025).
- The Market Development Facility's Economic Impact of International Yachting in Tonga provides current insights into the cruising yacht sector (MDF 2024).

There were 29,730 VFR arrivals in 2024, which represents a 22.43 per cent increase on the 2015–19 five-year average of 24,283 and a 14.2 per cent increase on 2019 arrivals. It is possible that this growth is at least in part a catch-up response to the years of restricted travel during the pandemic and that it might not be sustained. Between 2012 and 2019 the average annual growth rate for VFR arrivals was 4.19 per cent, with stronger growth seen after 2016.

While VFR traffic delivers supplementary economic inflows to some tourism businesses (see section 3.1.2), national sustainable tourism and economic investment policy are predominantly driven by visitor arrivals and as such, this report will focus on the growth and success of the tourism sector in relation to bona fide visitor arrivals.

Yacht arrivals

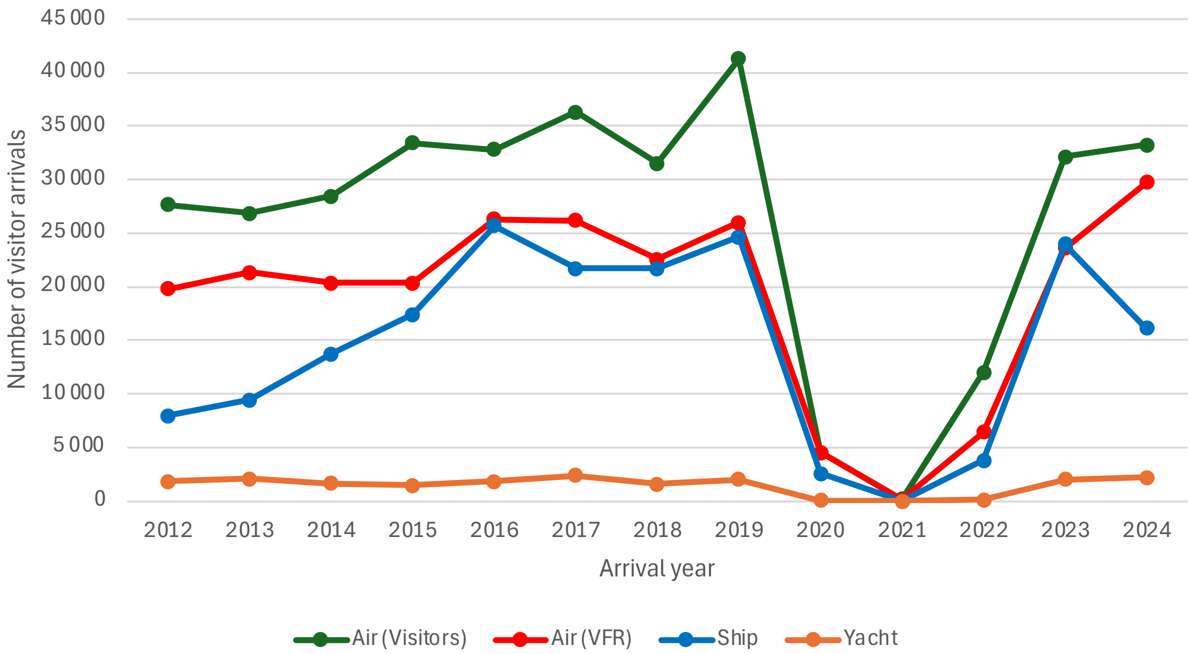
There was a total of 2,154 yacht visitor arrivals in 2024, which represents a 17.44 per cent increase on the 2015–19 five-year average of 1,834 and a 6.6 per cent increase on 2019 arrivals.

Summation

Given that 2020 saw the onset of the COVID pandemic, it is not possible to surmise how the rising and falling arrival trends across the categories noted above would have continued. However, the impact of the COVID pandemic, the Hunga Tonga-Hunga Ha'apai volcanic eruption and subsequent tsunami, and the resulting loss of tourism product will continue to limit growth and labour market opportunities in the tourism sector for the foreseeable future.

When applying the average arrivals for 2015–19 against 2024 arrivals as a baseline comparison, Tonga's 2024 total visitors tally increased by only 2.61 per cent above that average, with strong growth in VHR arrivals (22.43 per cent) and yacht arrivals (17.4 per cent) being almost entirely nullified by the decline seen in air visitor arrivals (-5.23 per cent). A table outlining the percentage change in arrivals and the average annual growth rates from 2012 to 2024 is provided as Annex 3.

▶ **Figure 2. Annual number of visitor arrivals by transportation type, 2012–24**



Contributions to commercial tourism: Holiday visitors versus travelers visiting friends and relatives

Holiday visitors traditionally spend more per day on tourism services, especially on accommodation and paid activities. VFR visitors, by contrast, spend less on commercial tourism per day but often stay longer and contribute substantially to the local economy in other ways – through shopping in local stores, buying groceries and making donations or hosting feasts for their communities (Tonga, MOT 2022). Indeed, pre-pandemic estimates showed VFR visitors' total trip spending could equal or even exceed that of holiday visitors due to their longer stays and obligations. However, though they support the local economy, VFR visitors generally do not contribute to the broader growth of commercial tourism products. Data for 2023–24 indicates these patterns persist: holiday visitors are returning and driving spending on hotels, food and tours; while VFR visitors continue to channel a significant portion of their budget into the local community and family support. Overall, average visitor spending in Tonga has been rebounding post-COVID – with 2023 seeing about 2,874 pa'anga in local economic impact per visitor per trip (New Zealand, MFAT and AUT 2023), and the balance between holiday and VFR segments will shape how that spending is distributed across accommodation, dining, transport, shopping and activities in Tonga.

In April 2023 the Tonga Statistics Department embarked on a project with the World Bank to create a Tourism Satellite Account (TSA), a standard statistical framework used to measure the economic impact of tourism. Tourism was estimated to account for about 11 per cent of Tonga's GDP (2019), marking it as Tonga's most significant sector (PSDI 2021). As Tonga moves to develop the new Tonga Tourism Roadmap for 2025–2030 to revitalize the tourism sector, the data the TSA presents, along with other key data sets (for example, this study, International Visitor Surveys, cruise ship passenger economic impact surveys), will be critical in informing strategy and policy the growth of Tonga's broader visitor economy, both in relation to holiday visitors and VFR visitors.

3.1.2. Customer experiences

The Kingdom of Tonga International Visitor Survey 2023 undertaken by the Pacific Tourism Organisation (SPTO) has shown that visitors to Tonga value their interactions with the Tongan people and their culture, feeling that they are having an authentic experience, and praising the natural beauty of the islands and marine experiences such as scuba diving, snorkelling and swimming with whales.

However, the report also highlighted systemic issues that continue to impact the visitors' experiences in Tonga. Of particular note – and carrying a significant negative weighting – is the poor standard of customer service, which can impact repeat visitation by reducing visitors' **willingness to return** and affect referrals to new travellers by reducing visitors' **willingness to recommend** Tonga as a destination. The most recent International Visitor Survey (January to December June 2024) reflects perceptions similar to prior visitor survey reports in relation to poor customer service and shortfalls in the quality of tourism experiences and products.

A review of visitor surveys from Pacific Island countries (PICs) finds that Tonga's 80 per cent satisfaction level is lower than what is seen elsewhere in the region, with Fiji standing at 93 per cent satisfaction, Cook Islands at 94 per cent, Vanuatu at 91 per cent and Samoa at 88 per cent. This result, compounded by the significant decrease in available tourism accommodation and experiences, demonstrates the need for greater focus to be placed on the visitor experience and service standards within the sector.

The sustainability and growth of a tourism sector – and by extension the employment opportunities in that sector – are influenced by many factors, ranging from investment to policy to product development. However, customer service and customer satisfaction are a key area that can be influenced by all the stakeholders within the sector and is therefore a critical metric in identifying the health and success of the tourism sector.

Other PICs have at different times implemented tourism sector customer service improvement strategies to address this priority, such as: the Cook Islands' Welcoming Visitors with Mana; Palau's Pristine Paradise Service Standards; and Vanuatu's Vanuatu Smile.

The International Visitor Surveys offer a potential starting point for addressing issues related to customer service and customer experience, as they provide valuable insights into the experiences of visitors to Tonga. However, to date this information has not been applied to develop specific policies and practical interventions to drive improvements in this space, and consequently the surveys have ultimately achieved little towards building the future of the sector and developing labour opportunities for Tonga. There is a stronger role for private sector employer representative groups to play in developing and implementing strategies that mitigate the risks and negative perceptions being highlighted in such surveys.

3.1.3. Cost of living pressures in key source markets

Tonga's largest visitor source markets of Australia and New Zealand are currently experiencing significant increases in the cost of living, which can have significant impacts on decision-making around spending on non-essentials, such as overseas travel.

Australia's inflation rate rose significantly to 6.59 per cent in 2022 and stood at 5.6 per cent in 2023 (Macrotrends, n.d.-a), while New Zealand's rose to 7.17 per cent in 2022 and stood at 5.73 per cent in 2023 (Macrotrends, n.d.-b), reflecting the global impacts of the COVID-19 pandemic and subsequent supply chain disruptions.

In Australia, the cumulative effect of rising costs has resulted in increased financial hardship, with households reporting difficulty affording necessities and concerns about meeting their rent obligations in the near future, and food prices have increased between 4.1 per cent and 14.9 per cent (Salvation Army, n.d.). Consequently, a majority of consumers (69 per cent) have cut back on non-essential spending, with 53 per cent "holding back" and 15 per cent stopping non-essential spending altogether (Barker 2023). In general, consumers are becoming more price-conscious, with 49 per cent buying products on offer/promotion, 46 per cent seeking retailers offering better value, and 40 per cent using comparison sites to find cheaper alternatives.

Cost-of-living concerns are therefore driving a focus on **value for money** and **value for experience** destinations, which might translate to shorter trips and a lower risk appetite for untried destinations. A 2023 survey by Southern Cross Travel Insurance (SCTI) revealed that 83 per cent of New Zealand travellers are looking to reduce travel costs. The primary strategies include booking cheaper accommodation (38 per cent), taking fewer trips (35 per cent) and opting for shorter trips (33 per cent) (Southern Cross 2023). Similarly, 48 per cent of Australians surveyed by SCTI said that they are less likely to travel overseas due to the skyrocketing cost of living. Among those still considering travel in the next 12 months, 83 per cent said they must reduce their travel costs, and planned to do so by booking cheaper accommodation (39 per cent), taking fewer trips (37 per cent) or taking shorter trips (36 per cent) (Libatique 2023).

That said, outbound travel among Australians in the aftermath of the pandemic has seen growth, with 2024 figures showing a 12.2 per cent increase on 2023 and an 11.2 per cent increase on pre-COVID 2019 numbers (Australia, ABS 2025). There was an increase towards destinations in Asia and in Southern and Eastern Europe, which are likely to represent value for money and value for experience. In the Pacific region, Fiji's product offerings and reputation have leveraged this realignment in consumer priorities regarding travel, achieving 982,938 arrivals in 2024 – a record high that represents a 17.6 per cent increase on the (pre-pandemic) annual average for 2017–19 (Fiji, FBS 2025).

In this context, it is expected that travel to Tonga, as a niche destination lacking value propositions similar to those found in more developed destinations, will be impacted.

3.1.4. Climate change, natural disasters and a loss of tourism products

Successive natural disasters have caused significant infrastructural damage in Tonga, with long-term negative impacts on coastal accommodation supply, particularly in Tongatapu and its surrounding islands. The Ministry of Tourism's 2022 Tonga Tourism Crises Impacts Assessment Report noted the Hunga Tonga-Hunga Ha'apai volcanic eruption and resulting tsunami (January 2022) caused widespread damage across the Tongan archipelago. A total of 72 tourism businesses faced some level of damage costs, with 26 businesses severely damaged or destroyed. An estimated 85,000 people (84 per cent of the Tongan population) were affected by the eruption, with many homes, infrastructure and the agricultural sector severely impacted. The disaster caused an estimated $90.4 million in damage, equivalent to 18.5 per cent of Tonga's GDP (Tonga, MOT 2022).

Prior to this, Tropical Cyclone Harold (April 2020) caused significant damage to Tonga, with 50 tourism businesses damaged and 12 severely damaged or destroyed, and the Ha'apai island group being hit particularly hard. The Ministry of Tourism's report notes that three tourism properties had been destroyed twice – once during Harold and again in the volcanic eruption – and that these businesses face the potentially insurmountable financial burden of rebuilding twice in just two years (Tonga, MOT 2022).

Many businesses have not recovered from these impacts, resulting in decreased demand for entire destinations. Some coastal resort and tourism experiences, such as the Oholei Beach Resort and Hina Cave, are trading again, albeit in some cases with relocated food, beverage and cultural experiences, while reinventing and exploring accommodation options. None of the key West and North Coast resorts, bungalows and home stays in Tongatapu have reestablished trade in the three years since the volcanic eruption. This includes key beach accommodation venues with strong followings, such as Liku'alofa, Vakaloa Ha'atafu, Holty's Hideaway, Blue Bananas, Royal Sunset and Fafa Island. Pangiamotu Island, while open to day-visitors, has not reestablished its regular restaurant and bar services. While the damage has been devastating for all businesses and individuals impacted in the sector across Tongatapu, the destruction of the Ha'atafu Beach Resort in particular, along with adjacent resorts, has also meant the loss of a significant distribution channel of surf travel tourism, which has harmed Tonga's surf tourism brand.

In addition, damage to Eua's coastal infrastructure has restricted access to its ecotourism sites, limiting tourism recovery. While significant damage was also sustained throughout the Ha'apai island group, key and unique tourism experiences that drive consumer demand such as eco resorts, kite surfing and whale watching are recovering and rebuilding trade, supported by strongly established niche relationships and market distribution channels.

While cruising yachts arrival visitors are recovering (see section 3.1.1 above), the **Tonga-based yacht charter subsector has effectively ceased to exist**. Prior to the pandemic, Tonga's cruising yacht industry comprised two key segments: (1) visiting cruising yachts; and (2) Tonga-based yacht charters. However, the later has not managed to reestablish itself following the pandemic and subsequent natural disasters. The demise of the Tonga-based yacht charter subsector represents a national economic loss potentially equal to – or even greater than – the opportunity presented by the cruising yacht subsector. In 2019, there were roughly 2,000 yacht charter visitors per annum who had an average stay of 9.3 days;[6] while in 2023 there were a total of 2,078 cruising yacht visitors with an average stay ranging from 11 to 34 days (MDF 2024). In an interview for this study, Shane Walker of Tonga Sailing noted that one the main barriers to reestablishing charter yacht enterprises is a lack of appropriate government investment strategies and tax policy support for the industry.

Infrastructure damage and the loss of Tonga's charter yacht sector has resulted in a significant loss of room-capacity to accommodate tourists. Tonga has a deficit of more than 55 beachside rooms[7] as a result of the 2022 Hunga Tonga–Hunga Ha'apai eruption and tsunami. This combined with the loss of accommodation on the Tonga-based charter sailing fleet reflects a conservative net loss of more than 100 rooms/cabins, equating to a deficit exceeding 30,000 room nights per annum.[8] It is estimated that this could directly affect the employment of 90–150 staff,[9] with indirect employment and/or revenue loss to suppliers, external contractors, tour operators and other local businesses.

6 Interview with Shane Walker, Tonga Sailing.

7 Represented by the Liku'alofa, Vakaloa Ha'atafu, Holty's Hideaway, Blue Bananas, Royal Sunset and Fafa Island venues, which are not currently operational.

8 Estimated 30,000 available room nights per annum is represented by 55 rooms lost and not rebuilt in resorts on the north-west coast of Tongatapu and surrounding islands, plus the room configuration available on 24 charter yachts.

9 Based on staffing need against the room counts and configuration of damaged properties and charter fleet.

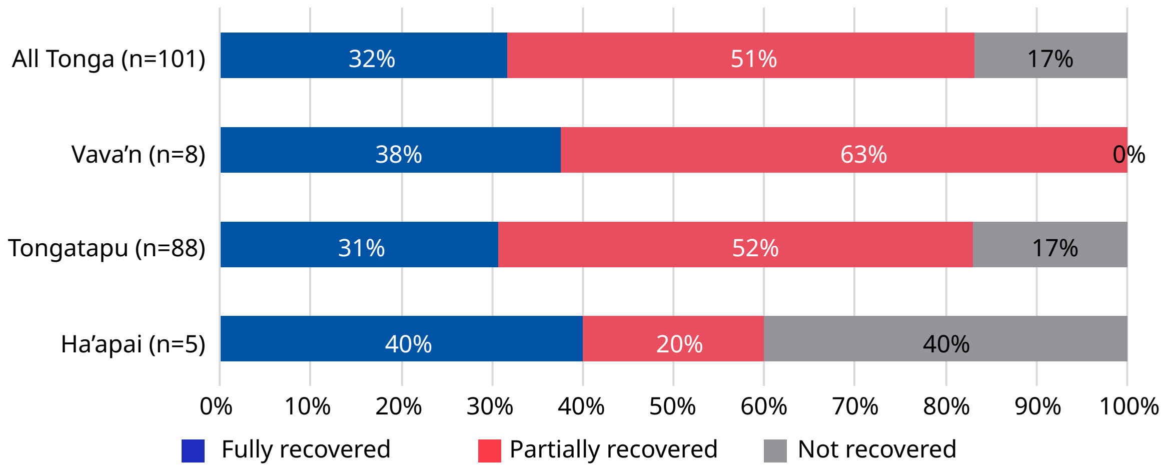
Interviews with tourism stakeholders highlighted that the length of the tourism season has effectively contracted due to losses in tourism product diversity and servicing, and that this is particularly impacting the outer islands, where there is a decreasing value proposition for visitors outside of the primary whale watching season. A lack of tourism products and experience diversity also has the potential to place greater pressure the country's fragile marine ecosystem, particularly in the case of the whale watching subsector, as businesses seek to maximize the season. There is a growing level of volatility in the whale watching subsector, resulting from the above business pressures and growing competition from other destinations, which threatens the sustainability and development of the industry and with that, the longer-term sustainability of quality operators and quality employment opportunities. Operators are also reporting additional concerns related to the increase in the number of operator's licences, inadequate training, practices inconsistent with legislation, inadequate regulatory oversight and inconsistency in application of guidelines and directives given across all operators. It is evident that enhancing and ensuring the diversity of visitor products and experiences in Tonga needs to form part of national tourism planning and investment dialogue and planning.

Events and conferences bring much needed investment to rebuild tourism infrastructure, but are mostly limited to urban centres and existing businesses. Based on the interviews held with tourism operators, Nuku'alofa occupancies were recovering, boosted by a number of key events in 2024, including the 53rd Pacific Islands Forum (PIF) Leaders Meeting, and as returning VFR visitors and tourists seek urban-based alternative venues to coastal resorts. The PIF Leaders Meeting also provided a focused – albeit limited – injection into Vava'u during the conference. Some short-term employment opportunities presented themselves because of the PIF Leaders Meeting, both through pre-event infrastructure works to refurbish hotels and extra staffing during the meeting itself, although no permanent employment seems to have been sustained.[10]

3.1.5. Recovery from COVID-19 and natural disasters

Based on the responses of tourism enterprises that participated in the quantitative survey, 17 per cent have not recovered from the dual impact of the COVID pandemic and natural disasters, and 51 per cent have only partially recovered. Among the five Ha'apai businesses in the survey, two have not recovered from recent events, and this is also the case for 15 of the 88 surveyed businesses in Tongatapu (or 17 per cent). Among the eight respondent businesses in Vava'u, five have only partially recovered from recent events, and this is also the case for 46 of the surveyed businesses in Tongatapu (or 52 per cent). Across the entire survey sample, 68 per cent of respondent enterprises stated that they have not yet fully recovered from the pandemic and the impacts of the January 2022 volcanic eruption and tsunami.

▶ **Figure 3. Degree of recovery post-COVID-19 and January 2022 natural disasters among surveyed tourism enterprises by location (percentage)**



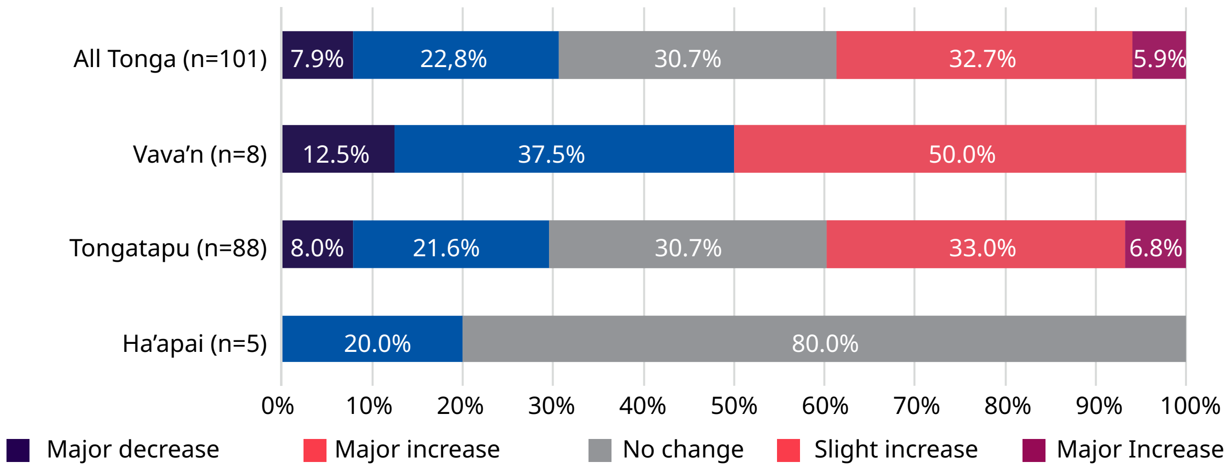
Source: Tourism enterprise survey.

10 Interview with Tomifa Paea, Puataukanave International Hotel.

Business growth

The surveyed tourism enterprises were asked to describe whether their business had grown or contracted over the preceding 12 months. Across the sample, 38.65 per cent of enterprises reported either slight or major growth in their business over the prior 12 months, although this was tempered by 30.7 per cent reporting declines in their business (either slight or major). Another 30.7 per cent reported no change compared to 12 months previous (figure 4).

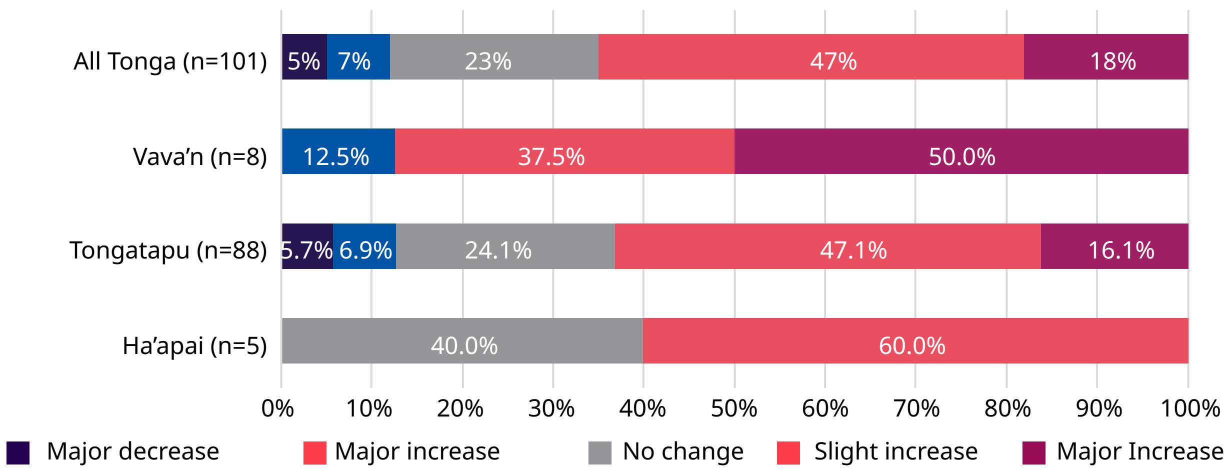
▶ Figure 4. Business growth or decline in the past 12 months according to surveyed enterprises, by location (percentage)



The surveyed enterprises were also asked to predict whether their business would grow or decrease over the next 12 months. In all, 65 per cent of business said that they anticipated growth in the next 12 months (slight or major), and 12 per cent anticipated a decline in business (slight or major). Roughly one quarter (23 per cent) believed things will remain unchanged.

However, given the aforementioned loss of tourism product stemming from the natural events of 2020–22, the low reference base and various labour market pressures, the enterprises' responses represent a mix of fortunes that do not necessarily point to substantial nor sustained growth, at least in the near term.

▶ Figure 5. Anticipated business growth or decline over the next 12 months according to surveyed enterprises, by location (percentage)



Considering the survey results by location, the responses from Ha'apai showed stagnation over the preceding 12 months, with four businesses reporting no change and one stating a slight decrease in business, though their outlook for the next 12 months was more hopeful, with three of respondents envisioning a slight increase and two believing business will be unchanged. While the sample size is small, it is noted that none of the respondents foresee a decrease in business.

In Tongatapu, 39.8 per cent of enterprises saw an increase in business over the last 12 months, while roughly equal shares experienced declines or no change (29.5 per cent and 30.7 per cent, respectively). Here too the future outlook was more positive, with 63.2 per cent of respondents foreseeing some level of increase in business in the coming 12 months, while only 12.6 per cent anticipated a decline.

Among the surveyed enterprises in Vava'u, four recorded a slight to major increase in business over the past 12 months, which was largely attributed to the return of the whale watching subsector. With early whale watching bookings for 2025 already in place starting around mid-2024, it is unsurprising that nearly all the surveyed businesses (seven out of eight) are forecasting varying increases in 2025. It is important to note that while the Vava'u figures reflect both actual and anticipated growth, the tourism sector there is still facing multiple challenges, including the contraction of the tourism season, in part a result of consumers being focused on the July–October peak for whale watching; the loss of Tonga-based yacht charters; and the potentially diminishing value of the island group as a destination for non-whale-related experiences.

3.2. Main business challenges

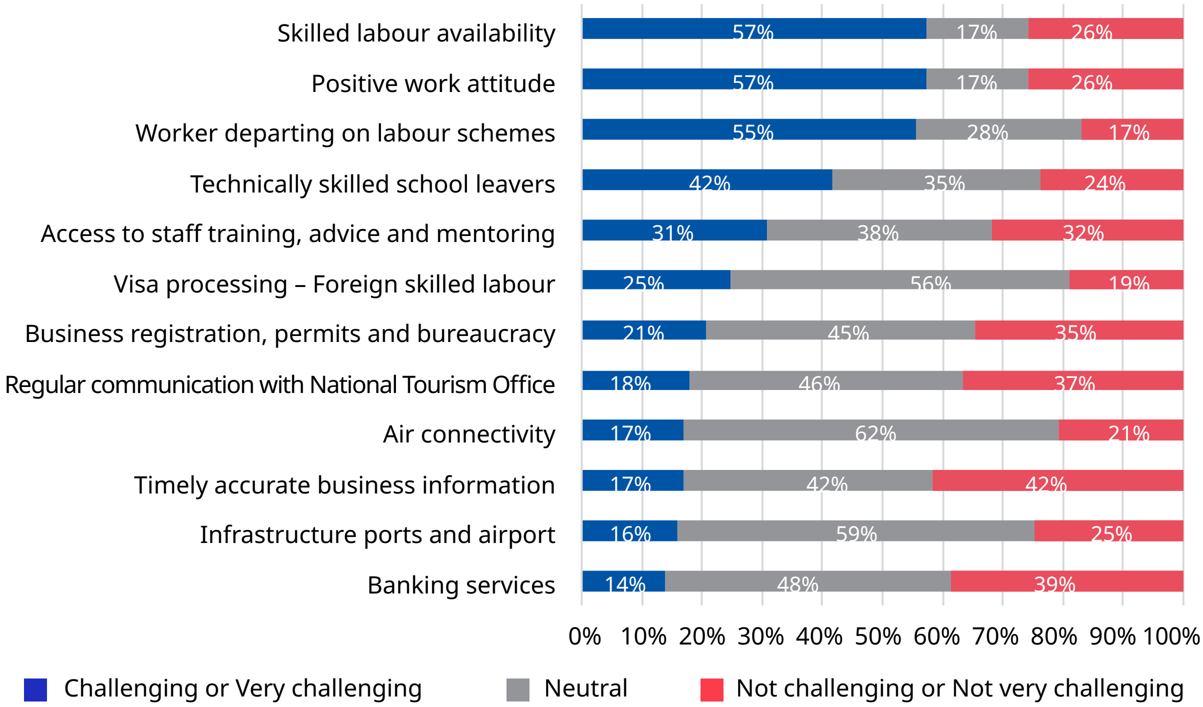
Availability of skilled labour

Among the surveyed tourism enterprises, 57 per cent found it "challenging" or "very challenging" to access skilled labour. This was particularly the case in Vava'u and Ha'apai, with every enterprise in these locations viewing skilled labour access as a challenge. While enterprises in Tongatapu were more mixed in their responses, a majority (54.1 per cent) still reported that accessing skilled labour was a challenge for them. The qualitative interviews with tourism enterprises noted that businesses believed that promising hiring candidates were becoming increasing hard to find and expressed an increasing lack of confidence in the technical and vocational education and training (TVET) sector's ability to deliver skilled employees.

In addition, 57 per cent of surveyed enterprises found it challenging or very challenging to find employees with a positive work attitude – including all but one of the enterprises surveyed in Vava'u and Ha'apai. It was noted that concepts around positive work attitudes need to be built within secondary education, with industry consensus that it should not be a new theme on entry to tertiary or TVET education. Overall, both secondary and tertiary education need to place greater emphasis on employee responsibilities and expectations in the workplace. In the interviews, tourism enterprises were questioned about the reasons behind this perceived lack of positive work attitude. Based on their responses, it was attributed to a mixture of reasons, including the quality of education the worker received; misaligned expectations among employees, training institutions and employers; the need to balance work priorities with faka-Tonga expectations from family; and, in some instances, suggestions of a diminishing concept of what it means to have a work ethic.

A majority of surveyed businesses (55.4 per cent) found workers departing Tonga to participate in regional temporary labour schemes to be challenging or very challenging, including seven out of eight enterprise in Vava'u and two out of five in Ha'apai. The outer islands struggle with two levels of migration: first, losing staff to opportunities to the capital of Nuku'alofa, and then through general international migration and short-term migration through Australian and New Zealand labour schemes. In the context of a decreasing pool of potential employees who are skilled and have a strong work ethic, the loss of Tongans to offshore roles is claimed to have an impact on the tourism sector. While short-term migration numbers have grown in recent years, this form of migration is not new, and many employers are exploring how they need to adapt. Creating a competitive tourism sector that can prompt workers to choose Tonga over offshore work is further discussed in section 4.3 below.

▶ **Figure 6. Surveyed tourism enterprises' perceptions concerning potential challenges facing Tonga's tourism sector (percentage)**



Recruiting technically skilled school leavers and access to training, advice and mentoring

Among the 101 surveyed tourism enterprises, roughly two in five (41.6 per cent) found accessing technically skilled school leavers challenging or very challenging, with this being the case for six of the eight enterprises in Vava'u. The interviews with enterprises noted both the unavailability of potential candidates and an increasing lack of confidence in the TVET sector's ability to deliver skilled employees. The tourism industry's lack of confidence places this high on the list of barriers to the growth of tourism and calls for a multi-stakeholder strategy, as discussed in section 5 below.

Nearly one third (30.7 per cent) of the surveyed businesses found access to staff training, advice and mentoring to be challenging, including four out of eight in Vava'u and three out of five in Ha'apai. In the interviews, enterprises noted several issues related to training delivery, particularly in relation to quality and timeliness, with tourism operators believing training providers need to take more of an industry-centric approach, collaborating on content with subject matter experts and focusing on clear deliverable goals.

Foreign skilled labour

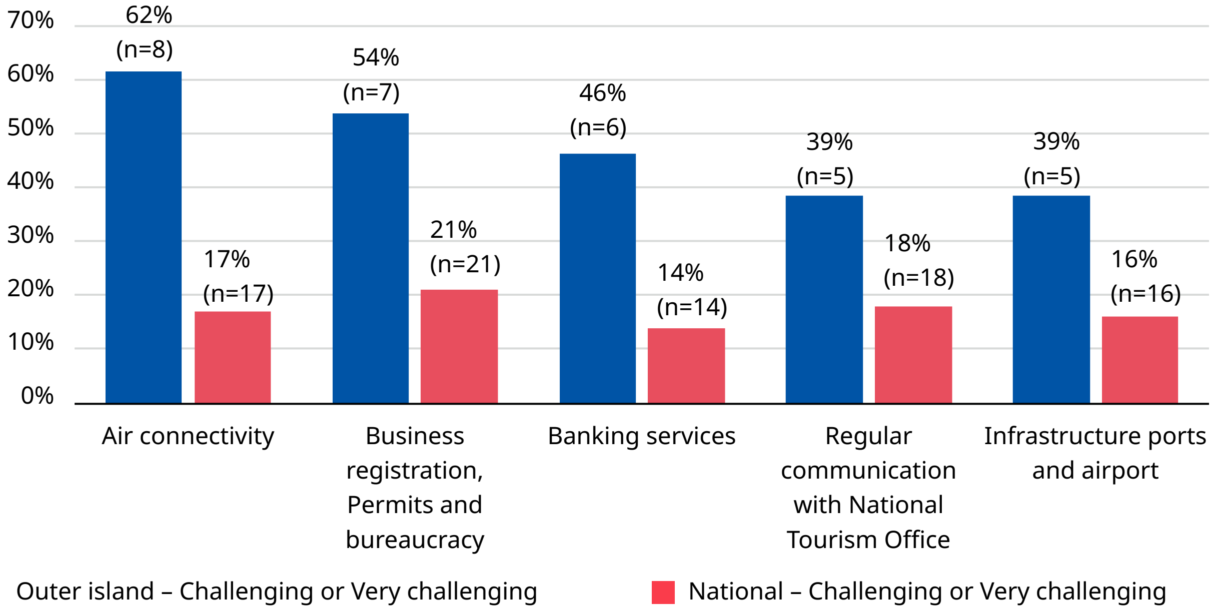
Roughly one quarter (24.8 per cent) of all respondents found it to be a challenge to navigate visa processing in relation to hiring foreign skilled labour, with this being more strongly the case in Vava'u (seven out of eight respondents) and Ha'apai (two out of five respondents), which aligns with the overall perception in the outer islands of increased difficulty in relation to communication and engagement with government ministries.

While Tonga's labour shortage has driven an increase in demand for foreign skilled labour, with significant increases over the last decade, the interviews for this study noted an increase in demand among tourism operators for foreign workers to take on what would have previously been regarded as semi-skilled or unskilled labour, such as roles in housekeeping.

3.2.1. Challenges of particular relevance to outer islands tourism enterprises

Certain challenges to doing business that were only cited by relatively small share of enterprises across the entire survey sample but were felt more keenly among tourism enterprises in the outer islands. Figure 7 presents a selection of issues in which outer islands respondents were more than twice as likely to view as a challenge compared to the survey sample as a whole. This section addresses each of these challenges, presenting the perspectives and concerns of outer islands tourism providers, but still relevant to the broader national perspective. As noted above, the number of tourism enterprises surveyed in the outer islands was small – eight in Vava'u and five in Ha'apai – but even if this sample likely cannot be seen as representative, it still offers insights that are at least of interest and likely of great import to enhancing tourism in these regions.

▶ Figure 7. Business challenges more likely to be experienced by outer island tourism enterprises



Note: The sample size for the outer islands was 13 (eight in Vava'u and five in Ha'apai); while the "national" sample size of all surveyed tourism enterprises was 101.

Air connectivity and port and airport infrastructure

The performance of the domestic air carrier Lulutai Airlines is generally viewed negatively among tourism enterprises, with a particular lack of confidence among outer islands tourism operators, which complained about the cancellation of flights, in many cases resulting in the complete cancellation of visitors' holidays.

Nearly two thirds of the outer island survey respondents said that air connectivity represented a challenge to doing business (five out of eight in Vava'u and three out of five in Ha'apai). A smaller share of outer island respondents (five out of 13) found the current state of port and airport infrastructure a challenge to doing business.

In relation to concerns over the performance of Lulutai Airlines, interviewed tourism operators provided numerous examples during the 2024 season where entire groups of travellers had their flights cancelled and ultimately failed to arrive in Vava'u, losing their entire holiday, with the operators in Vava'u often only becoming aware of the situation when waiting for a non-existent aircraft. Tourism operators said that even if visitors can catch another flight, they inevitably lose holiday time and often miss tour connections. Interviewed stakeholders said that tourism operators feel like they are at the mercy of Lulutai, and the apparent lack of a communication strategy or consultation with tourism sector stakeholders to address these flight challenges only further serves to decrease the sector's confidence in the air carrier. There is, therefore, an opportunity and a substantial need for greater dialogue between Lulutai and the wider tourism sector to build stability of service for the outer islands, securing trade and employment opportunities for local businesses.

In the face of unreliable flight service, tourism operators are actively advising their visitors to obtain travel insurance to mitigate any potential losses due to flight cancellations. Of course, while those with insurance may recoup their airline/travel expenses, they may not be able to salvage their holiday or recover time lost due to flight delays and cancellations. With financial and time constraints impacting Tonga's key source markets, such negative experiences are likely to prompt travellers to exclude Tonga from any future travel plans. Beyond the travellers themselves, the lost revenue opportunities for tourism enterprises within Tonga cannot be recouped. There was also evidence provided during interviews for this study that the Tongan diaspora, when traveling back for events and holidays, have also started to mistrust the reliability of Lulutai, impacting their confidence to travel to Tonga and the outer islands.

One of the major inhibitors to developing confidence in Lulutai is the inability to book, confirm and pay for flights online. Without online bookings, it is harder for potential visitors – especially international tourists – to find flights, which lowers the overall demand for travel to outer islands destinations due to the added difficulty involved (ADB 2023). Lulutai Airlines did offer online bookings for a period in late 2024, but this option was removed later in 2024.

Lulutai have commenced daily Facebook updates of their flight schedule, as also practiced by the Friendly Island Shipping Agency (FISA). Unlike FISA, however, Lulutai do not specially communicate or call out delays, but simply provide an updated schedule. It was noted that when changes to the schedule occur, Lulutai will work with customers and reschedule their flights, but notification of cancellations and schedule changes is rarely communicated prior to guests' arrival at the airport. This lack of online services is compounded by poor information channels and direct communication opportunities, which further inhibits the confidence of visitors.

Several operators suggested that Tonga should explore the possibility of working with an international carrier to introduce international connections with domestic legs (for example, Fiji–Vava'u–Tongatapu routes and Tongatapu–Vava'u–international outbound connections), especially during the peak season and domestic holiday periods, to mitigate the risk associate with the large number of cancelled departures by Lulutai. A recent ABC News story on the state of Lulutai highlights the negative sentiment in the visitor marketplace and the need for mitigation strategies to protect the economic development of Tonga's tourism sector (Kupu and Sas 2025).

In addition, issues previously raised in the International Visitor Surveys in relation to poor communication and service by customs officers and airport services personnel at Tonga's international and domestic airports were also reiterated during interviews with tourism sector stakeholders. Tonga's visitor surveys should be read in conjunction with this report and fed into any national tourism improvement strategies.

Government services/oversight and communication

Just over half of outer islands respondents (seven out of 13) found business registration, permits and bureaucracy to be challenging, including six out of eight respondents in Vava'u. A slightly lesser share of outer islands respondents – five out of 13 – found regular communication with National Tourism Office to be a challenge; all five of these respondents were among the eight total enterprises surveyed in Vava'u.

Transparency in relation to licencing, permitting and recognition, and support for and security of investments made were noted seen as significant barriers and risks to the growth of tourism among the tourism operators interviewed. For instance, interview participants noted a level of conflict between the Government and operators in the whale watching subsector regarding the delivery of certification and training, the issuing of licences, and a perceived lack of environmental oversight of non-compliant whale watching operations. Tourism operators said they believe that government decision-making at the department/ministry level with the ability to resolve matters transparently, confidently and with clarity is critical to building a sustainable tourism sector in Tonga – but stressed that this government engagement with the sector must extend to the outer islands.

The Ministry of Tourism's Tourism Industry Workshop – Strengthening Business, Enhancing Sustainability and Elevating Visitor Experience in March 2025 was presented as an example of why improvements are needed in this regard. Outer islands interviewees said that notice of the event was distributed on a limited basis and not in a timely manner, potentially limiting outer island participation. Given that the outer islands are increasing a driver of Tonga's tourism brand and that the quality and diversity of internet connections and providers has improved in recent years, it would be timely for the Ministry of Tourism to explore the ability to include workshop participants in key learning opportunities via online formats. As the sector is still seeking to bounce back in the aftermath of the pandemic and the January 2022 natural disasters, there are lessons concerning engagement between the Government and tourism operators that can be drawn from the strategies developed in the aftermath of the devastating Indian Ocean tsunami that struck in December 2004. Common themes across these recovery strategies included the development of inclusive private–public partnerships and alliances, along with developing systems of cooperation and communication (Carlsen 2006).

Banking services

Among all respondents, 13.9 per cent found banking services a challenge to doing business, but this share was significantly higher for outer islands businesses, with five out of eight Vava'u enterprises and three out of five Ha'apai enterprises viewing banking as a challenge. Barriers to online banking services and the lack of quality Eftpos[11] facilities were flagged as key issues, with some remote operators having to issue invoices for additional incurred expenses to guests upon their departure, requesting that they remotely submit payment upon their return home. A significant multi-day outage of BSP Bank ATMs in May 2025 further highlighted the risk. There seems to be a low degree of knowledge of alternative payment options, such as such as Apple Pay, Google Pay or Stripe, which do not seem to have been adopted yet by outer islands tourism providers. It was noted, however, that several Chinese-owned operators appear to be utilizing Chinese market versions of third-party payment processing tools, possibly Alipay and WeChat Pay.

3.3. The Government's role in growing Tonga's tourism sector

Most of the surveyed and interviewed tourism enterprises engage with the following government bodies while doing business:

1. Ministry of Trade and Economic Development (MTED);
2. Ministry of Tourism (MOT); and
3. Lulutai Airlines (operated under the Ministry of Public Enterprise).[12]

Tonga's tourism operators generally perceive the role of these three entities is to act as enablers of the Tongan economy (and specifically the tourism economy), but on varying policy and service fronts they are often perceived as failing to meet that expectation or even imposing barriers to reaching that goal. This can be seen in the issues raised around air connectivity and government services/oversight and communication in section 3.2.1 above, and these concerns were echoed in the Pacific Tourism Organisation's recent *Tonga Business Confidence Index Report 2024*.

Speaking in interviews, tourism operators noted frustration with MOT activities that they believed added little or no value to Tonga as a tourism destination, suggesting a review of the Ministry's key activities to ensure that they are effective in supporting the country's tourism brand. One example being a focus on white sheets in the hotel audit on beds (Tonga Mark) and a marking down of accommodation standards where coloured sheets are used, even if the use of colour is meant to blend in with a particular aesthetic. A growing number of resorts in tropical destinations use tones that seek to match the décor, from greys to bolder colours that match Pacific themes.

11 Eftpos is an anagram for electronic funds transfer at point of sale. Eftpos payments are typically made via the use of a credit card or debit card.

12 See section 3.2.1 above for the discussion concerning tourism providers' concerns in relation to Lulutai Airlines.

Tourism operators noted that key government decision-makers and sector experts were often difficult to identify and access. In addition, they contended that the private sector's desire for matters to be resolved quickly, with clarity and with certainty is often seen as adversarial by government employees. Tourism operators spoke of a desire for the MOT and MTED to do more to advocate for businesses' success and to utilize their intergovernmental connections to create dialogue, where necessary, to progress economic opportunities. Tourism operators did note some strong key personal working relationships with the ministries, but felt that the actual application of regulations and policy can at times be unduly influenced by external parties, both within and outside of government, impacting business and investment confidence.

In general, there is a clear need for all parties to improve the mechanism for dialogue between the private sector and the MOT and MTED, as they are all partners towards a common purpose, and thereby move away from the protectionist and suspicious nature that currently underpins elements of the tourism sector.

The interviews for this study also highlighted that tourism operators support the MOT's role in regulating the whale watching subsector, but note that due to the Ministry's insufficient resources, they are unable to undertake the monitoring needed to ensure appropriate on-water practices with whales, ultimately making current regulatory oversight ineffective. There is a growing expectation that this should be a priority for the MOT, along with transparent reporting of failures to meet proper practices, as tourism operators said they have increasing concerns about poor practices from a segment of whale watching operators. This matter will be addressed in more detail in section 6.1 below.

3.4. The role of employers' organizations

The Tonga Chamber of Commerce and Industry (TCCI) serves as the principal representative body for Tonga's private sector, playing a pivotal role in fostering economic growth, advocating for business interests and enhancing the overall business environment in the country. The TCCI is a member do the Pacific Islands Private Sector Organisation (PIPSO).

The TCCI focuses on advocacy and policy engagement, business support and capacity-building, networking and collaboration to drive private sector growth, and has focused on representation, advocacy, events and forums and previously delivered Tonga's only programme building entrepreneurial skills into secondary education (Youth Enterprise Scheme).

The TCCI's level of engagement and its service offerings to members have varied over the years, subject to partnerships and funding levels. Development agencies and regional organizations have worked with the TCCI at various levels as a vehicle for offering private sector business development services. While the TCCI continues to promote available grants and private sector development initiatives, its role as a lead representative agency through its ability to deliver programmes and advocacy has diminished over the last decade.

Economic development and private sector advocacy remain a central focus of the TCCI; however, a focus on prioritizing and targeting specific "ready-to-market" business opportunities, over direct funding to representative bodies such as the TCCI, has limited the Chamber's resources and tools to operate as a private sector advocate. While critical to its economic prosperity, the scale of Tonga's private sector limits the TCCI's capacity to rely on a commercial membership-based funding model, and without supplementary funding, the Chamber struggles to deliver key strategic functions that would benefit Tonga's businesses.

The Tongan economy would benefit from a proactive private sector and a TCCI with a prominent voice, making rebuilding the TCCI an economic priority. A strengthened TCCI advocating for private sector would provide the Government with private sector insights into growth, strategy and opportunity, which could positively impact GDP and employment creation.

Across the Pacific, employer and business membership organizations (EBMO) often receive financial assistance from government to support core operations and activities. This assistance may take the form of grants, funding for specific activities and/or contracting for delivery of specific projects. In contexts where opportunities to raise significant income from membership fees are limited, this financial assistance can be critical. Nonetheless, it is important that such support is provided with the caveat that it does not infringe upon the EBMO's independence and focus on members' priorities. The ability to build skills and capability in an EBMO builds the capability for a country's private sector to prosper – and through that, the national economy.

While the TCCI has the potential to play a stronger and more critical role in representing the private sector as a whole, there is also value in strengthening the role of sector-specific representative groups, such as tourism associations or specific tourism product associations (for example, hotels or whale watching), where they exist.

However, these tourism associations have often presented as separate pillars of advocacy, competing and seeking to out-position each other in building their perceived role of authority within the sector. To effectively address the issues facing the development of Tonga as a sustainable tourism destination, a shift in the focus of such associations – in terms of both their function and the outcomes they seek to achieve for their sector and their members – is critical.

Representative groups will benefit from clarifying their scope and coordinating their areas of influence and subject matter expertise. Private sector advocacy should be seen as a partnership opportunity to effect change for Tonga's tourism sector. As Tonga moves to develop the new Tonga Tourism Roadmap for 2025–2030, there is a need for employers' associations that can meet the challenges and support the private sector by taking an active and accountable role in designing and supporting a sustainable development agenda.

▶ Box 2. Case study – Agricultural tourism and incubators of collaboration

During the interviews for this project, the consultant took the opportunity to meet with a wide range of stakeholders engaged with Tonga's private and supporting sectors. This included meeting with Nishi Trading and discussing the value and role of agriculture in Tonga's tourism landscape.

Agriculture tours in developing countries offer significant contributions across multiple areas, helping to diversify rural economies and provide additional income. These tours can play a vital role in preserving and promoting cultural heritage by showcasing traditional farming practices and rural lifestyles. Furthermore, they serve as platforms for educating tourists on sustainable agriculture and environmental practices. Agritourism initiatives often empower women and youth by involving them in tour operations and value-added agricultural activities, contributing to community development and social inclusion. Lastly, they promote local products and cuisine, supporting indigenous crops and enhancing the appeal of regional gastronomy to tourists.

Conversations with Minoru Nishi, Director of Nishi Trading highlighted potential agritourism product opportunities and included ancillary opportunities such as supporting a local disability NGO to participate in craft sales and cultural exchange in agritourism. This led to a subsequent introduction to Sally Baker, a regional Disability Inclusion Specialist, supporting the Tonga Australia Support Program (TASP) and working in Tonga, to open opportunities to collaborate strategy.

In earlier an earlier interview, the consultant had met with Simon Wilson who had been leading the ADB Tonga: Outer Island Renewable Energy Project, a solar power electrification project. They had discussed opportunities for tourism related product development in outer islands on the back of solar power electrification. During the meeting with Nishi Trading, the consultant asked whether solar electrification opened any commercial agricultural opportunities for small islands and what they might be. As a result of feedback given, a subsequent introduction was made between the director of Nishi Trading and Simon Wilson.

The consultant also met with Semesa Sikivou, Country Coordinator (Tonga), Market Development Facility, a bilateral New Zealand- and Australia-supported programme working with diverse market players to revive and develop business activity. With a potential for developing agritourism and opportunities for outer island commercial agriculture, a subsequent introduction was made relating the topics discussed.

The consultant also shared several other tour provider contacts with whom Nishi Trading may wish to explore tour partnerships and distribution with as they explore the opportunity to develop agritourism experiences.

While all the topics discussed are in their infancy, this type of dialogue mimics the incubator of collaboration role that can be facilitated by bodies such as the TCCI, sharing and redirecting a diverse range of stakeholders to partners on key opportunities, skills and knowledge sharing. In lieu of a strong centralized private sector representative body, such dialogue shared across sectors can be limited at best or not occur at all.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4

Overview of Tonga's tourism labour market

4.1. Tourism employment in Tonga: A brief profile

The working age population in Tonga grew between 2018 and 2023, but low labour force participation rates combined with low unemployment rates suggest workers may not be seeking to engage with the labour market. In 2023, the working age population for Tonga (that is, those age 15 years and above) comprised 65,471 people, an increase of 2,282 people compared to 2018. Of these, 30,114 (46 per cent) were male and 35,357 (54 per cent) were female. Only around 29,253 (45 per cent) of the working age population participates in the labour force, meaning that they are either currently employed or available for work, with 53 per cent of these individuals being male and 47 per cent female. Of these, 76 per cent reside in rural areas, while 24 per cent live in urban Tongatapu, which closely mirrors the geographical distribution of the population of Tonga.

The country's employment rate for 2023 was 97.8 per cent – 98.1 per cent among males and 97.4 per cent among females. This implies an unemployment rate of only 2.2 per cent. Unemployment rates below 3.0 per cent are often considered too low (ILO 2019), indicating a shortage of labour that is readily available to work, either because of genuine labour shortages or because the prevailing remuneration rates and conditions do not incentivize individuals to freely choose to take up employment. In Tonga's case, the combination of low unemployment and a high share of working age individuals not participating in the labour force (46 per cent), indicates that the geographic dispersion of the labour force across islands, as well as current renumeration rates and working conditions may indeed disincentivize people from engaging in the labour market.

Tourism-related employment is fluid in terms of movement between locations, with employment increasing in urban areas, while shrinking in coastal and resort-focused areas. As noted in section 3.1.4 above, the loss of business attributed to the January 2022 Hunga Tonga-Hunga Ha'apai volcano eruption and subsequent tsunami could negatively affect the employment of 90–150 tourism staff, largely in coastal regions. At the same time, operators of key accommodation venues noted strong occupancy rates in Nuku'alofa and the entry of new accommodation properties. Overall, Labour Force Survey (LFS) data for the period 2018–23 shows a net 4 per cent decrease in employment related to accommodation. This likely reflects the loss of roles in coastal/resort regions and the subsequent staffing uptake in urban areas – albeit with the latter expansion in employment not making up for losses in the coastal regions.

LFS data from 2018 and 2023 and Household Income and Expenditure Survey (HIES) data from 2021 shed further light on this. Comparing employment in the tourism sector across these three years shows that while overall there was moderate growth in overall tourism employment between 2018 and 2023, some subsectors have contracted while others only remained stable. For example, employment in accommodation and travel agencies contracted significantly in the aftermath of Tropical Cyclone Harold and during the COVID-19 pandemic, but has largely recovered to pre-pandemic levels. Conversely, employment in food and beverage serving activities grew during the COVID-19 crisis. While some of the post-volcanic eruption growth may be attributed to organic tourism growth and increased numbers of events, industry operators noted many food and beverage staff have not returned to established tourism businesses and that increased employment numbers in food and beverage-related services may instead reflect a move to self-employment and catering businesses. Notably, cultural activities and sports and recreational activities have not recovered from the successive shocks of the cyclone, the pandemic and the eruption, which is in line with the findings described above.

▶ Table 3. Employment within tourism subsectors based on LFS and HIES data, 2018–23

Tourism subsector	LFS 2018	Cyclone Harold and COVID-19 (2020) (% change)	HIES 2021	Hunga Tonga-Hunga Ha'apai (2022) (% change)	LFS 2023
Accommodation for visitors	257	-95%	14	1 657%	246
Food and beverage serving activities	465	37%	635	1%	641
Transport	310	78%	553	-31%	381
Travel agencies and other reservation service activities	101	-80%	20	820%	184
Cultural activities	55	-65%	19	-47%	10
Sports and recreational activities	28	25%	35	-54%	16
Total employment in tourism	**1 216**	**5%**	**1 276**	**16%**	**1 478**
Total employment in Tonga	**33 102**	**-1%**	**32 695**	**-13%**	**29 523**
Tourism employment as a share of total employment	**4%**		**4%**		**5%**

Source: Author's calculations based on LFS and HIES microdata.

It is estimated in the LFS2023 that tourism accounts for 5 per cent of all employed persons in Tonga (table 3), which places it behind other key sectors of employment, include public administration (16 per cent), manufacturing (15 per cent), agriculture, forestry and fisheries (12.9 per cent), and education (10 per cent).

Within the macro data, it can be seen that tourism subsectors are impacted differently at different periods of the year, and given the small scale of Tonga's tourism sector, there is no single "all of industry" solution to labour shortages. A common example brought up during interviews was that tourism operators have difficulty in accessing staff during the peak season, but generally had sufficient numbers of skilled staff for the remainder of the year. In smaller businesses the need for extra staff during the peak season may just amount to one or two extra workers, but the numbers needed can be significantly more substantial for larger operators. One business outlined their peak season staffing solution, whereby over the years they had developed a loyal base of extra staff who returned to them each peak season to earn supplemental income before returning to their typical employment during the off season.

In addition to general shortages of peak season staff, an increasing number of employers reported that they had lost or knew of staff wanting to migrate abroad, either permanently or temporarily to engage in the Australian and New Zealand labour schemes and perceived this as a key contributor to labour shortages.

The overall volatility engendered by workforce mobility creates an obstacle to maintaining the kind of high quality trained staff required to run environmentally sensitive services such as whale watching. Where an employee can find local work or other forms of community engagement during the off season, employers are able to maintain security of service during the whale watching season. There were examples of longer-term stable whale watching operations where the employees have established responsibilities and roles outside of the whale season to meet broader annual employment needs. However, for an increasing number of entrants, there are pressures to find job security outside of the whale watching subsector, particularly for younger people who believe opportunities such as labour schemes in Australia and New Zealand provide relatively accessible benefits that exceed those of the short-term engagement offered in whale watching or similar subsectors. The desire to seek work outside of the tourism sector is not limited to the pull of temporary labour schemes, but rather exists more broadly as part of the pressure faced by working age Tongans to contribute to greater family requirements, often through movement to urbanized areas or via international migration. In qualitative interviews, tourism operators expressed concerns regarding their ability to maintain an adequate number of qualified guides and skippers to sustainably and responsibly implement whale watching operations. Many operators rely on local staff who often lack formal training, and they advocated for improved vocational training programmes tailored to marine tourism.

4.2. Addressing skills shortages and gaps

The survey and interviews flagged that a high share of businesses are seeking non-management, skilled and semi-skilled staff across tour experiences, hospitality and travel roles. Overall, the sample presently employs 1032 staff across the following occupational groups, thereby representing approximately 69.8 per cent of all tourism employment in the country. Asking employers what level of qualification they require to hire someone into the job, reveals that about half the occupational profiles in the sector do not customarily require a formal qualification, though responses vary across all job profiles. Those that do require a formal qualification most commonly include bar food and beverage staff, chefs and cooks, tour guides, seafarers, and travel consultants.

▶ Table 4. Number of staff in the surveyed tourism enterprises (n=101) by occupational group

Occupational group	Number of employees	% of all employees	Min. level of qualification required according to employers (most frequent response)
Hotel/Resort/Café/Bar – Food and Beverage Staff (n=48)	300	29%	Vocational or diploma level certificate
Hotel/Resort/Café/Bar – Chefs/Cooks (n=43)	144	14%	Vocational or diploma level certificate
Hotel/Resort/Café/Bar – Other Staff (n=16)	114	11%	No formal qualification required
Arts – Dance, Performance, Musicians (n=3)	91	9%	No formal qualification required
Hotel/Resort/Café/Bar – Housekeeping Staff (n=22)	79	8%	No formal qualification required
Other (please specify) (n=9)	54	5%	N.A.
Tour Guide – Marine Based (SCUBA, Water, Whale Watching, Fishing) (n=9)	50	5%	Vocational or diploma level certificate

Occupational group	Number of employees	% of all employees	Min. level of qualification required according to employers (most frequent response)
Shipping – Ferries – Master, Crew or Deck Hands (n=5)	48	5%	Vocational or diploma level certificate
Arts – Traditional (Carving, Tapa, Painting, etc.) (n=13)	42	4%	No formal qualification required
Driver – Taxi/Bus/Other (n=6)	41	4%	No formal qualification required
Maintenance, Handy Persons and Grounds Gardener (n=13)	35	3%	No formal qualification required
Travel Company/Visitor Centre –Travel/ Tour Consultant (n=4)	22	2%	Vocational or diploma level certificate
Tour Guide – Land Based (Island, Trekking, Culture) (n=5)	12	1%	Vocational or diploma level certificate
Total	**1 032**	**100%**	

The number of businesses that indicated hiring a particular occupational group is given in brackets (n=).

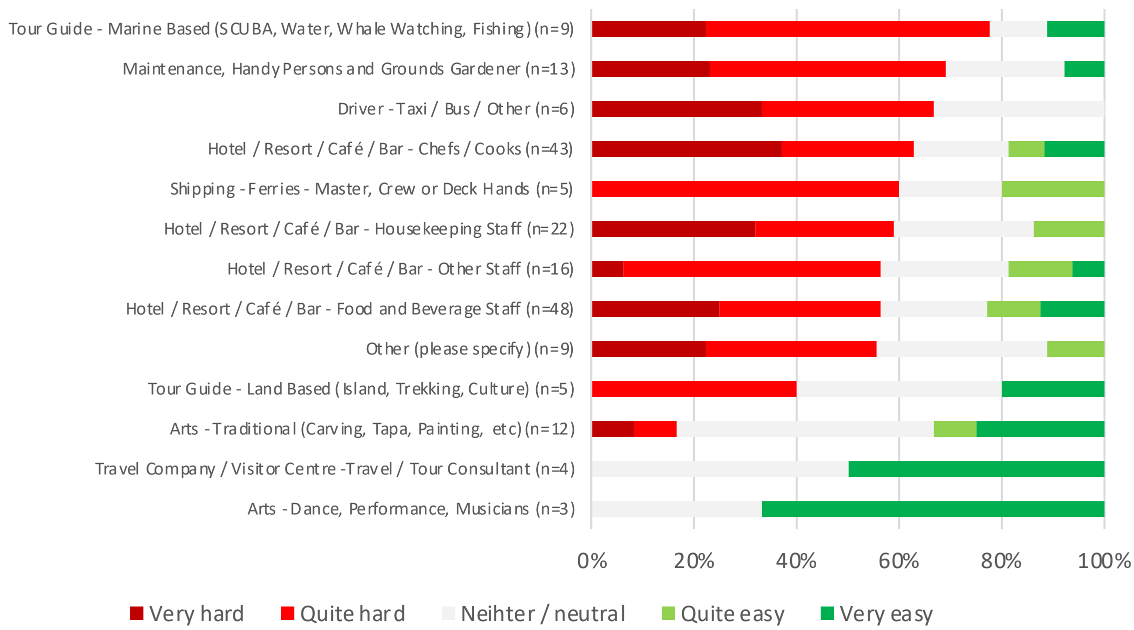
Based on the percentages displayed in figure 8, key demand areas exist in the following roles[13]:

- tour guides – land-based (island, trekking, culture);
- gardeners;
- drivers;
- chefs and cooks;
- tour guides – marine-based (scuba, whale watching, fishing);
- master, crew or deck hands for marine vessels;
- food and beverage staff; and
- housekeeping staff.

It should, however, be noted that certain types of businesses are more common than others within the sector, and this has an impact on actual overall demand for certain roles. For example, marine-based tour guides are at the top of figure 8, as there is a very high level of demand for them across relevant businesses, but the number of relevant businesses that participated in the survey is small (n=9). By contrast, the number of surveyed businesses finding it difficult to recruit chefs/cooks (27 of 43) and food and beverage staff (27 of 48) is far larger than the number of businesses that aim to recruit marine-based tour guides (7 of 9). As such, there is greater overall demand for chefs/cooks and food and beverage staff workers.

13 Thes roles include several job profiles for which employers do not require a qualification. The focus here is on Tongatapu and Vava'u due to the lack of data on Ha'apai tourism enterprises.

▶ Figure 8. Extent to which occupations are hard to fill (1 being very easy and 5 being very hard)

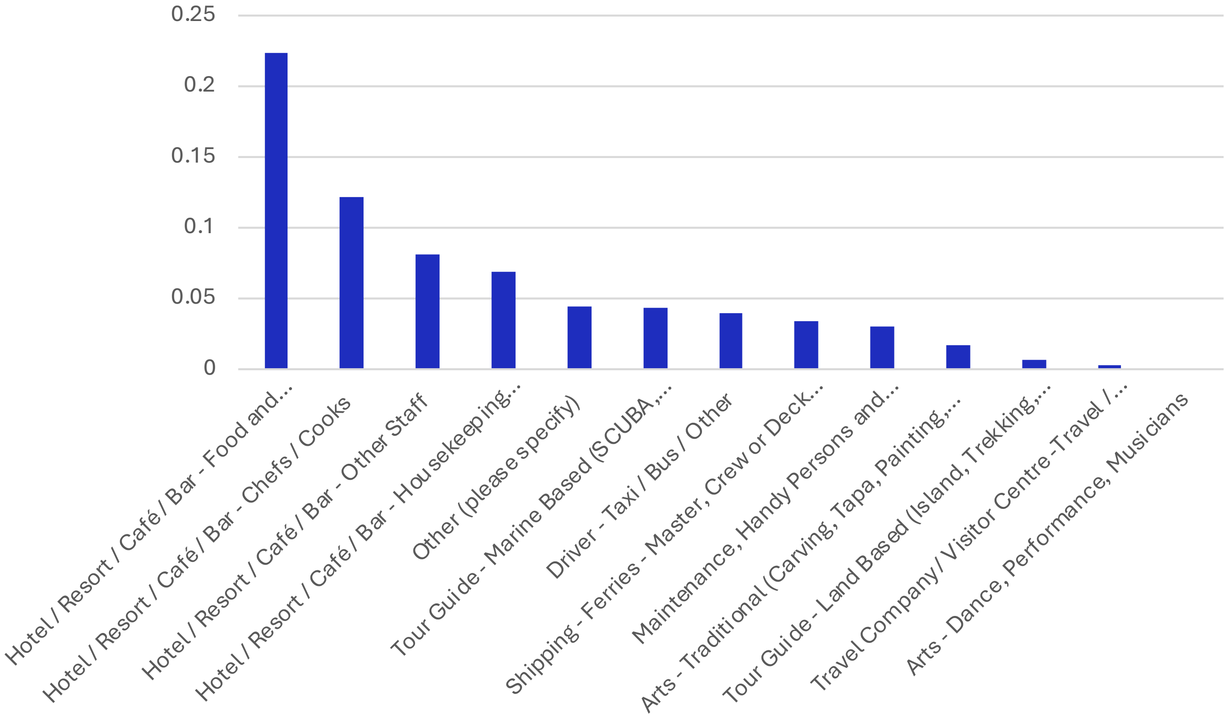


Note: Enterprises were asked to identify how hard they perceive it to be to recruit a different occupational profile only if they had indicated having hired this group of workers in a previous question. This is based on the assumption that enterprises who do not customarily hire, for example, tour guides cannot speak to the level of difficulty experienced when hiring tour guides. The number of companies who hired each group in question is provided in brackets (n=). None of the surveyed enterprises had hired aviation staff and hence aviation staff are excluded from this figure. Source: Survey of tourism enterprises.

Multiplying the extent to which occupations are hard to fill (normalized average) with the share of employment that a particular occupational group represented among all of the workers employed by the 101 surveyed businesses (in per cent), allows for further analyse of the occupational groups for which the labour market is perceived as being particularly tight (see figure 9). While the results of such analysis have to be treated carefully due to the small sample size, this can be useful as it provides an idea of where investments in training and or the issuing of work permits for foreign workers may provide a viable short-term solution to ease skills shortages. For example, while marine-based tour guides and maintenance staff and gardeners are the hardest to recruit according to those businesses who employ them, the pool of marine-based tour guides presently employed by the surveyed tourism enterprises contains only 50 individuals and the group of maintenance staff comprises only 35 individuals. Therefore, when multiplying the difficulty to recruit with their relative importance in the labour market, these two occupational groups score far behind more populous groups, such as waitstaff and cooks.

Nevertheless, these results should be interpreted with care. As has been pointed out before, the marine-based tourism product offer is a critical factor determining visitor experiences and attracting tourists in the long-run, with likely positive multiplying effects on demand for other tourism staff over time. Qualitative and quantiative perspectives as well as different graphical representations of the problem should therefore be treated as complementary and viewed holistically, rather than taken at face value.

▶ **Figure 9. Calculated hiring pressure score for tourism-related occupations (n=101)**



Note: To determine the hiring pressure score on the y-axis, the average difficulty to recruit among the 101 surveyed enterprises was calculated and normalized using min–max normalization, and the result was then multiplied with the share of employment of the particular occupational group in question across the 101 surveyed enterprises. Source: Survey of tourism enterprises.

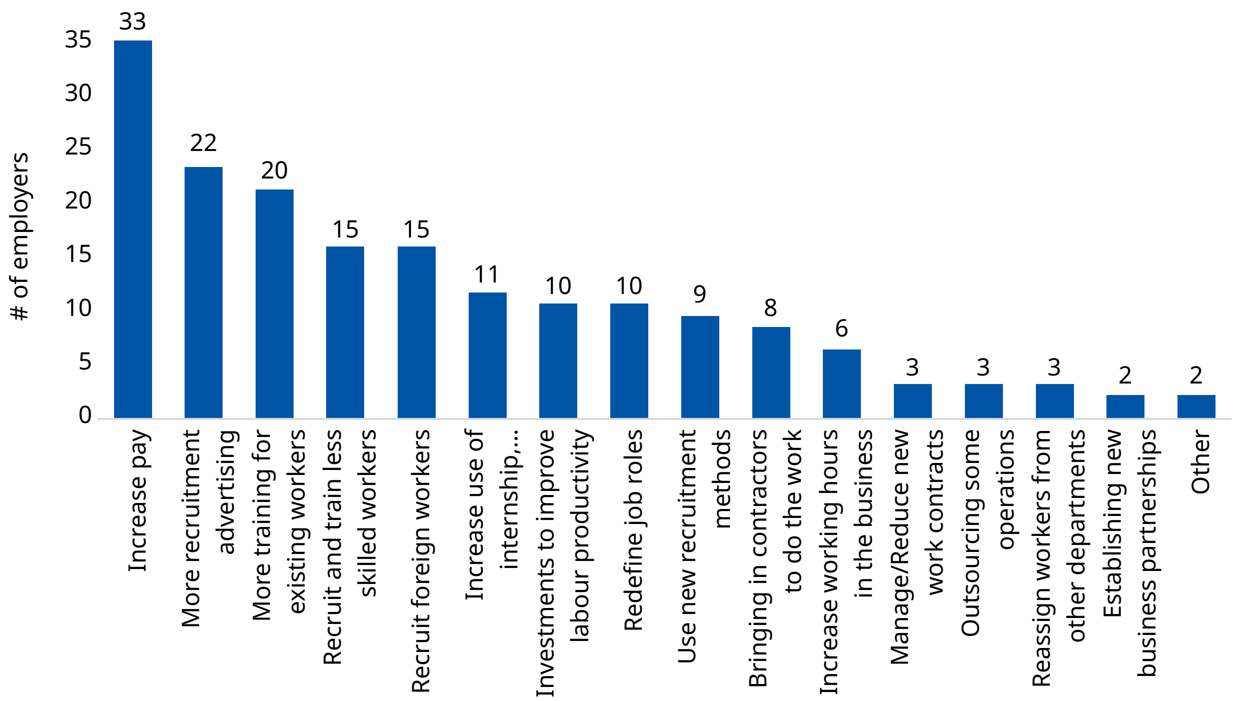
Employers are exploring different strategies to overcome hard to fill vacancies

Survey respondents were asked to identify the strategies they utilized to fill hard-to-fill places. The responses indicate that several employers apply multiple strategies, resulting in 172 responses from the 101 surveyed tourism enterprises. Five key strategies emerge from the survey, covering 105 of the 172 responses, namely: increasing pay (33); more recruitment advertising (22); more training for existing workers (20); recruiting and training less-skilled workers (15); and recruiting foreign workers (15). The strategy of increasing pay (33 total responses) was evident across multiple sectors, including accommodation (7), hospitality – food and beverage (18), marine tours/whale watching (3), retail (2), transport (2), and travel and tours (1).

Recruitment and retraining have been flagged as common approaches to retention and securing the right personnel. Several employers noted during interviews that finding potential staff with a good attitude and then training them was an important element of their business. This is reflected in the survey data, with 15 tourism enterprises giving a similar response. This strategy was attributed in interviews to a lack of trained personnel applying for jobs as well as trained individuals not actually having the skills or attributes needed for the role.

The recruitment of foreign workers in the tourism sector is increasing, with the 15 surveyed enterprises citing this as a strategy for filling hard-to-fill vacancies, spread across accommodation (5), hospitality – food and beverage (7), marine tours/whale watching (2) and transport (1). The predominant demand for foreign workers is for kitchen staff and trained cooks/chefs, although a variety of roles were identified during interviews, including housekeeping roles.

▶ Figure 10. Strategies used by surveyed enterprises to address hard-to-fill vacancies (number of employers, n=101)

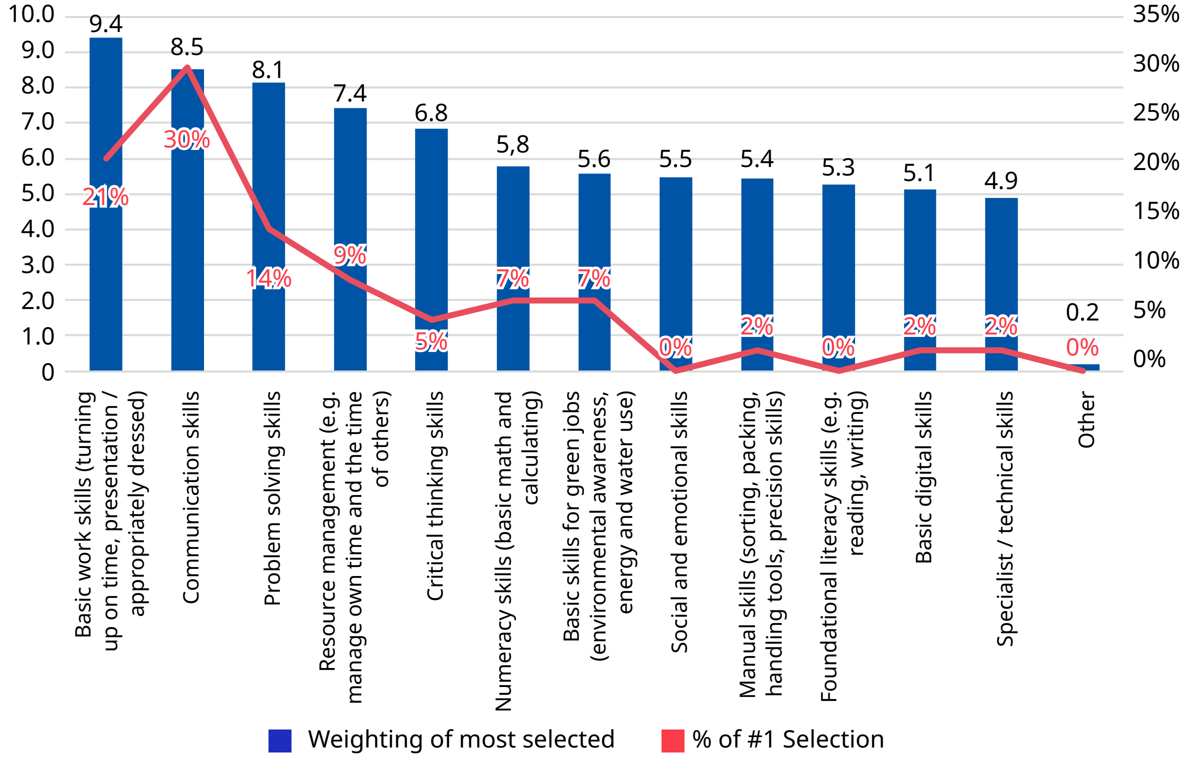


Note: More than one response possible. Source: Survey of tourism enterprises.

Basic service and communication skills continue to present the greatest skills gaps for tourism employers

Tourism employers were asked to identify the skills that their staff are not proficient in and require further improvement. A total of 13 skills were provided, and the surveyed enterprises were asked to rank them from 1 (smallest proficiency challenge) to 13 (greatest proficiency challenge); the blue bars in figure 11 below provide the average score given for each skill across the 101 surveyed enterprises. The orange line in figure 11 represents the percentage of employers who selected each skill as the top-most competency lacking in their workforce. Communication (30 per cent of enterprises surveyed), basic work skills (21 per cent), problem solving skills (14 per cent) and resource/time management (9 per cent) were most commonly cited as the largest skill gap. These skills corelate to the key skills required to undertake the most "in-demand" roles listed above, as these roles are predominantly people-facing, service-focused roles.

▶ Figure 11. Ranking of skills that staff are not proficient in according to surveyed tourism enterprises, by weighted average score (blue bars) and share of enterprises that cited each skill as top proficiency challenge (orange line)

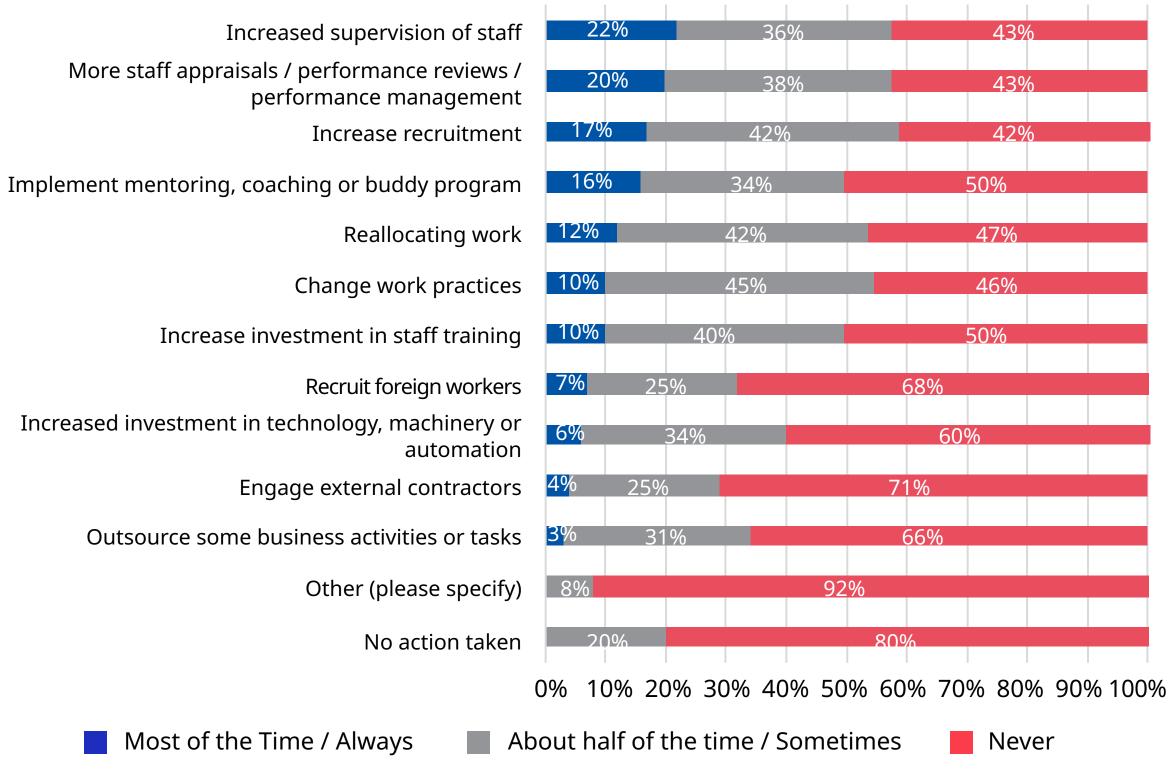


Note: The blue bars represent the average rank across the 13 different response options, with a score of 13 being given to the top challenge. The orange line presents the share of businesses who ranked each response option as their number one skills gap.
Source: Authors calculations based on survey of tourism enterprises.

Supervision and monitoring outweigh training when it comes to upskilling staff

Increased supervision and enhanced oversight/monitoring were noted in the survey as the two main performance tools for building staff proficiency (figure 12). This may denote that initial training provided to workers is insufficient or insufficiently retained by workers. Increasing staff supervision and monitoring ultimately places greater pressure on employers over the longer term, requiring a reallocation of resources from customer-facing service to employee oversight.

▶ **Figure 12. Measures used by tourism enterprises to overcome the fact that some workers are not fully proficient in the job (percentage, n=101)**



4.3. Impacts of migration on Tonga's tourism labour market

Both seasonal labour mobility and permanent migration shape the Tongan labour market. As a 2023 World Bank background paper notes, international migration offers the potential for a "triple win", delivering gains for migrants, origin countries and destination countries. For migrants, migration generates significant employment opportunities; while labour-receiving countries can address key shortages in their labour markets. For labour-sending countries like Tonga, remittance inflows can contribute to increased income and consumption at the household level, reducing poverty, loosening credit constraints and providing insurance against negative shocks (Doan et al. 2023).

Remittances from overseas were estimated to be equivalent to 44 per cent of the Tongan GDP in 2021 (Edwards et al. 2023) and 40.6 per cent in 2023 (Migrant Data Portal 2024). The Tongan diaspora represents 50.6 per cent of the Tongan population (as of 2021).

Temporary labour mobility programmes in the Pacific region, such as the Pacific Australia Labour Scheme (PALM) and New Zealand's Recognised Seasonal Employer (RSE) scheme, offer workers in PICs opportunities to earn higher wages in Australia and New Zealand, most often through fruit-picking and other agricultural jobs. While these programmes benefit migrants' families through remittances, they also contribute to workforce challenges in local industries in PICs, including tourism.

In 2024, the PALM scheme hosted an average of 3,762 Tongans in any given month[14] (Australia, Department of Employment and Workplace Relations 2024). This means that, on average, 5.7 per cent of Tonga's working age population is engaged in the PALM scheme at any given moment. New Zealand's RSE scheme reports that

14 With the high being 4,165 in June 2024, and the low being 2,725 in December 2024.

Tongan recruitment has remained relatively steady at around 1,800 individuals per year (Bedford and Bedford 2024). This represents roughly 2.7 per cent of Tonga's working age population, which implies that 8.4 per cent of the working age population is engaged in overseas seasonal work.

Labour mobility programmes have raised issues for the Tongan tourism sector. The interplay between labour shortages in tourism, the allure of overseas opportunities, and vocational education gaps reveals a complex dynamic that has implications for Tonga's economic growth and workforce sustainability. Skilled workers are often drawn away during peak tourism periods due to an overlap with the harvest season, placing acute pressure on Tongan tourism businesses to find replacements or otherwise manage with reduced staff. Additionally, it was noted by a number of tourism operators that workers who return from temporary labour migration schemes seldom reintegrate into the tourism sector, and instead often pursue work in agriculture or start their own small enterprises, avoiding formal employment in tourism. This divergence from tourism reflects both a loss of skills within the sector and a cultural shift in career preferences among workers.

The negative impacts of temporary labour migration schemes – including their impacts on local communities and families – have been gathering more attention of late, leading to a number of government-led consultations and a public meeting[15] in late 2024. Labour migration and workforce retention were also highlighted as key issues in the Pacific Tourism Organisation's *Tonga Business Confidence Index Report 2024* (SPTO 2024) and the recent Ministry of Tourism forum "Shaping a Resilient Future for Tonga in Times of Challenge", which took place on 13–14 March 2025 in Nuku'alofa.

Poor working conditions in the tourism sector exacerbate the above trends

Tourism, as a service-oriented industry, relies on having a skilled, motivated and stable workforce. However, gaps in training and retention strategies further exacerbate labour shortages. Several stakeholders emphasized the need for a nurturing workplace environment to attract and retain talent. They pointed out that lack of respect, poor mentorship and rigid hierarchical practices discourage many employees from staying in the sector.

Temporary labour migration scheme employment and local tourism opportunities should not be mutually exclusive

While all operators agreed that temporary labour migration schemes were putting pressure on the availability of tourism workers, throughout the interviews for this study it became evident that there were two different lines of thought on how to address the labour market pressures brought on by the labour schemes.

One group of Tongan employers and stakeholders is maintaining an "external adjustments" approach, suggesting that the skills and availability issue will resolve itself if they can change the labour market's conditions, such as limiting labour scheme access to unskilled employees and setting apart skilled employees to service the industries in which they have skills. This rather narrow perspective fails to recognize, however, that migration and offshore employment offer beneficial opportunities for Tongans – opportunities that they absolutely have a right to pursue. While limiting access to labour schemes may provide short-term benefits in terms of access to workers, such limits are ultimately unsustainable and do not to address the policy issues and transformations required to build a truly viable tourism sector.

A second group of employers recognizes the current operational environment and has started to make "internal adjustments" to how they engage and retain employees, and within that process, evaluating wages, engagement conditions, their own style of leadership, the flexibility of employment conditions, contingency planning, and building a sense of community and value within the workforce. This is not dissimilar to the "don't resist change" approaches being taken by employers in more developed countries to better navigate retention and motivation of different generational cohorts (Richmond 2024). While the underlying employee drivers may differ, the idea of

15 "Second Speakers Debate on the Pacific Labour Mobility Scheme: Its Benefits and Challenges and Overcoming Those Challenges", Nuku'alofa, 4 October 2024.

changing management strategies to maintain an engaged and productive workforce is universal. As such, policy focus should instead be on enabling tourism investment that can lead to the tourism sector being identified as a viable career path, rather than seeking to constraint access to migration.

Important shifts in policy and practice are currently being discussed

Following dialogue with PICs, the Australian Government has recognized that its PALM scheme may have opportunities to integrate training and education into its programme, including skills not directly related to agriculture, which could help returnees to integrate skills developed through the scheme into the Tongan economy upon return. Dialogue with representatives of Palladium, the PALM scheme's managing contractor, suggests this is being explored through existing policy platforms. Regionally, PICs are adapting their policy arrangements on the regional labour migration schemes, seeking outcomes that better contribute to securing in-country benefits post-placement, rather than a net migration loss and remittance outcome.[16]

The Vakameasina initiative, an education programme offered through New Zealand's RSE, initially supported Pacific Island seasonal workers to access free education and development opportunities during their time in New Zealand, offering literacy and life skills education and expanding to include options such as horticulture training. Under the RSE Worker Training Program, Phase III, a new partnership established with the Eastern Institute of Technology in 2024 will see increased accessibility to essential and elective courses, including life skills, trades, leadership, small business and hospitality.

For the moment, the anecdotal evidence and feedback from temporary labour migration scheme participants points to a population who identify the opportunities offered by labour migration to be significantly greater than the opportunities presented by staying in Tonga. As opportunities to access training and education increase within the regional labour schemes, it will be important to identify and develop mechanisms that will lead upskilled workers to return to, remain in and contribute to Tonga's labour market.

4.3.1. Youth and migration

The employers interviewed for the study tended to question the capabilities of new graduates, expressing concerns that graduates were not adequately prepared for the demands of the tourism industry. There was, however, a recognition among the interviewed employers of the need for stronger partnerships between training institutions and businesses to ensure students gain the relevant experience.

As noted in the section 2.1.3 above, to better understand the prospects and experiences of youth who are soon to enter the workforce after completing their education, a focus group discussion (FGD) was held with prospective graduates from Tonga National University and the 'Ahopanilolo Technical Institute (ATI), the majority of whom were undertaking TVET courses. During the FGD, the prospective graduates were clear in their opinion that their education was a pathway to migration. While they were open to one day potentially returning to Tonga, it was likely that the driver for any decision to return would be family and personal needs and not employment opportunity or furthering their career.

The students had strong views about the opportunities – or lack thereof – in Tonga. Students expressed dissatisfaction with the low wages offered in Tonga's tourism and hospitality sector, "which is why the prosect of the RSE programme is an enticing and a priority for us". One of the students who had worked as an assistant manager at a restaurant highlighted how low salaries push workers to seek opportunities abroad. Students felt that there were few opportunities for advancement in the local tourism industry. When asked if they would stay and work in Tonga if offered a job at the Ministry of Tourism, the students still collectively responded that they would rather seek overseas opportunities.

16 See, for example, Samoa's Policy for Temporary Labour Migration under the Labour Mobility Schemes of Australian and New Zealand (2023) and Tonga's Labour Mobility Supply Management Strategy (2023).

The students also noted many examples of work placements undertaken through their TVET course that were not structured as true learning opportunities and criticized employers for treating them as cheap labour rather than investing in their training. One student noted that when you intern at an administrative workplace, you are told to do your supervisor's work while they sit around and do nothing. From the students' perspective, internships did not offer a mentoring environment, or even a chance for a business to get more work done with the intern's help. Rather it was seen as a chance for the person supervising them to not engage with their work, and made the interning students feel like servants. Internship placements with government ministries were often characterized in this manner. Notable, just like employers, the students also recognized that some of the content they were learning in class did not align with in-demand skills or industry expectations.

The FGD with students underscored the need for reforms in vocational education, workplace training and government support for TVET to make staying in Tonga a more viable and competitive option. This is not simply an education and government problem, as the private sector has a key active role to play in improving partnerships that support competency-based vocational education and offering improved employment conditions.

▶ Box 3. The need to better understand the decision drivers of Tongan students/graduates

While a large number of Tongan students complete their studies every year, there is a general lack of understanding of their employment motivators, posing a risk for all businesses in Tonga. While the university and vocational institutions have at different times undertaken education tracer studies, there were no regular benchmarking studies available. As such, there seems to be a significant gap in Tonga's understanding of the sentiments and aspirations of the country's youth.

Tonga does undertake a youth analysis based on the findings of the Population and Housing Census, which informed the Tonga National Youth Strategy and Action Plan 2021–2025. The Action Plan addresses employment creation, skills development, healthy living, community service and participation in decision-making and advocacy as key issues for young people in Tonga. It could be surmised that since youth appear to broadly perceive migration as yielding greater benefits than employment in Tonga, that the keys elements discussed in the National Youth Strategy are not currently meeting the needs of Tonga's youth.

This being so, there would be great value in better understanding the key employment/migration decision drivers among Tonga's youth and factoring these into policy and strategy. Information about these drivers could potentially be ascertained through the use of education tracer surveys and employment sentiment surveys.

Management styles are not evolving in line with youth expectations

Several employers noted that while a depleted labour market does make business management more difficult, it does not equate to total employee unavailability. It does, however, indicated the need for changes in the approach taken by employers and greater understanding that employee retention requires a greater focus on meeting the needs of the employees within the context of their employment and their cultural responsibilities to their families in Tonga.

Contingencies and succession planning form a large part of the focus of employers who are already seeking to accommodate the faka-Tonga requirements of their employees within westernized business operating models. There was a consensus among all of the interviewed tourism operators that this is not always easily achieved, and likely unachievable with a fixed business management model. As per Taumata Rau, Ongolea and Houkamau (2024): "Tongans honour anga faka-Tonga, balancing cultural obligations to their fāmili, kolo, siasi and fonua with their own financial well-being."

While simultaneously honouring anga Faka-Tonga, Tonga's younger population is also exposed, through social media and the shared experiences of relatives based offshore, to concepts tied to developing a personal identity and needs separate from those of the family. Where the Tongan family once dedicated all family income to the head of the family, a number of interviewed employers questioned whether younger Tongans giving all their money to their family was a demotivating factor to employment.

In one example from the interviews, a progressive employer recognized an employee's decreasing engagement and absence from work. Following much discussion, they came to understand that the employee felt working gained them no personal benefits while all the money was being given to the family at the end of the week. The employer and employee made provision for a small proportion of wages to be withheld and banked separately allowing the employee access them when they require. This sense of personal worth seemed to be sufficient to rekindle the employee's interest in work.

This example ultimately represents a larger social conversation that is beyond the scope of this paper, but it is important to recognize that within a reality in which the Tongan diaspora is now larger than the population of Tonga itself, local Tongan youth comparing their situation with the perceived benefits afforded to their offshore relatives is likely to continue to motivate many to migrate to seize these perceived opportunities. Within this decision-making context, much needs to be done to make employment in Tonga a competitive choice.

4.4. Labour needs: Tour guiding, hospitality and visitor experience development

Tongan tour experiences today often centre on the rich local culture and the warmth of Tongan hospitality. Stakeholders describe tours that are highly interactive and rooted in authentic cultural practices. An operator of a cultural tour enterprise detailed how their tours immerse visitors in Tongan traditions: guests learn to husk coconuts, prepare traditional foods, witness herbal medicine making, and practice tapa cloth beating and weaving alongside community members. "We discuss, we smell, we taste so that they remember the tour," emphasizing hands-on engagement. They instruct their guides to share personal stories from their upbringing during tours, "giving an element of real life" to each activity, because "people want to experience real culture" not a scripted performance. This approach reflects a broader understanding among some operators that authentic cultural interaction is a key strength of Tonga's visitor experience. It also represents a mentoring-based training methodology that value existing cultural knowledge and practice.

In several interviews discussing guide services, this level of competency was rarely attributed as a skill set developed in vocational-based guide courses. It was perceived by operators that the ability to deliver interpretive stories and the soft skills required to engage visitors were not developed in the training institutions to a degree that met employer expectations, requiring mentoring and skills development in the workplace. During an initial workshop to present the study's findings,[17] however, a training provider contended that they had the appropriate materials required to deliver courses. These diverging assessments again showcase the gap between training course materials and delivery methodology and the needs of employers, and suggest that training providers would benefit from strong TVET institution–private sector partnerships and working groups to evaluate and align content and practical exercise to meet industry needs.

Tour companies are adapting to the cruise ship market and other fluctuating tourist flows. An inbound tour company servicing Vava'u described how her operation scales up on cruise ship days by contracting local freelance guides and transportation providers. On a cruise arrival day, her team coordinates buses and organizes tour departures efficiently, with hired guides helping to manage the visitor flow. These tour guides are typically engaged on a casual or on-call basis: "They are [on] contract for the whole year. ... They just [work] on the days" when ships arrive. Between cruise seasons, business is quieter, so many guides and tourism workers shift to other income sources. While operators strive to offer quality tours, they face significant challenges in maintaining a skilled, stable guide workforce year-round.

17 Tanoa Dateline, Nuku'alofa, 17 May 2025

Stakeholders repeatedly noted that human capital is the linchpin of tour quality and presently a weak link. Tour operators and hospitality businesses must often train staff on the job due to a lack of pre-existing skills. A travel and tour operator shared how training in-house and treating her business "as a family unit" – offering "care and compassion, guidance and mentoring" is required to nurture talent and improve service quality. Techniques such as on-the-job mentorship are filling gaps left by formal training institutions. Several interviewees stressed that attitude and work ethic are more important than initial skill for new hires and believed it is important "to identify people with the right attitude, and that … the skills … can be taught".

In practice, many tour businesses in Tonga are investing time to teach basic hospitality, customer service and cultural knowledge to employees who join with little to no relevant background. As such, inconsistent service standards remain an issue in the current landscape of Tongan tour experiences, with one operator observing that graduates or students of tourism programmes sometimes perform worse than seasoned informal guides. During a short student attachment one operator noted a lack of application to the attachment stating, "You can tell they're not really interested – they're bored."

Overall, stakeholders paint a picture of a tourism sector that has strong cultural products and passionate individuals, but struggles with limited skilled manpower, inconsistent training and an outflow of local talent, all impacting the consistency and quality of visitor experiences.

However, the fact remains that while there are peak periods where a higher volume of tourist guides and experienced staff are required, there is also insufficient trade for many land-based guides and operators to retain staff beyond specifically contracted days, making it difficult to secure full-time employment. The PACER Plus Implementation Unit has called for proposals to develop Tonga's Cruise Tourism Industry Strategy and Action Plan, which is expected to identify further strategies to address this volatility.

5

Tourism vocational training

A lack of appropriately skilled staff can disproportionally impact a business as they increase in scale, whether that be from 2 to 4 or 30 to 35 staff. Where operations require minimum staffing levels to maintain a certain level of service, significant deviation from that level can impact both the quality of service to customers and the treatment and experiences of the staff left to service those customers.

As an example, the Tanoa International Dateline Hotel in Nuku'alofa has limitations on the number of non-house guests that can utilize its facilities at different times. These limitations exist to ensure the staffing levels available to the hotel can service the inhouse guests at a level that meets the guests' expectations. When the hotel is unable to resource staffing levels to manage fluctuations in the number of people attending the hotel, the service to inhouse guest is likely to suffer, impacting the inhouse guest experience and impacting the reputation of the hotel itself. This also creates a negative experience for the employees who must fill these roles and must meet expectations while shorthanded and possibly underprepared.

Ideally every business would operate in a manner that maximizes its potential and has appropriately skilled staff in place to meet those needs. However, Tonga's apparent lack of available skills in the tourism sector places it in a situation where businesses are at varying times electing to limit trade or even suspend it altogether.

It must be noted, however, that the Tonga 2021 Population and Housing Census identified youth who are not in employment, education, or training (NEET). The NEET rate is a critical indicator of youth disengagement from both the labour market and educational opportunities. NEET rates vary across Asia and the Pacific. PICs often fall within the range of 20–30 per-cent, with Tonga's 2021 data showing a rate of 29.9 percent for the 15–34 age group. As a comparative example within the Pacific region, Tonga's NEET rate for ages 15–24 stood at 25.3 per cent in 2021, nearly double New Zealand's rate of 12.8 per cent. **Further exploration of the NEET cohort and expanding opportunities for this cohort to enter the tourism labour market should be explored.**

▶ **Table 5. Overview of youth in NEET status (ages 15–34), 2021**

Group	All Tonga			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Youth in NEET status	9 355	3 929	5 426	1 633	628	1 005	7 722	3 301	4 421
Youth in working age population	31 262	14 704	16 558	6 942	3 271	3 671	24 320	11 433	12 887
Youth NEET rate	29.9%	26.7%	32.8%	23.5%	19.2%	27.4%	31.8%	28.9%	34.3%

5.1. TVET institutions

The TVET sector preparing learners for employment in Tonga's tourism industry is represented by two key training institutions – the 'Ahopanilolo Technical Institute (ATI) and the Pouono Campus of Tupou Tertiary Institute (TTI) – as well as the Tonga National University (TNU). While all three are registered training institutions recognized by the TNQAB, the courses delivered by ATI and TTI do not meet TNQAB accreditation standards.

▶ Table 6. Tourism-related TVET programmes on offer in Tonga, by provider

Training programme	Level
'Ahopanilolo Technical Institute (ATI)	
Certificate in Hospitality (Commercial Cookery and Catering)	4
Certificate in Tourism (Fashion and Design)	4
Certificate in Hospitality (Accommodation Services)	4
Certificate in Hospitality (Commercial Cookery and Catering)	2
National Certificate in Work Readiness and Employability Skills	3
Tupou Tertiary Institute (TTI)	
Certificate in Hospitality (Cookery)	2
Certificate in Marine Multi-Skills	3
National Certificate in Cookery	3
Tonga National University (TNU), Faculty of Business and Public Administration	
Diploma in Hospitality Operations	5
Certificate in Tourism	1
National Certificate in Customer Service	3
National Certificate in Tour Guiding	3
National Certificate in Front Office Management	4

Note: Level 1 refers to Cert I followed by Cert II, III and IV, which in turn are followed by Diploma level courses at level 5.

In a majority of cases, tourism enterprises interviewed for this assessment expressed frustration with the inadequacy of these TVET programmes, stating that hospitality students often lack practical skills and industry readiness upon completing their courses, leading to additional training burdens on businesses. For instance, tourism enterprises said they often find that graduates lack the confidence, soft skills and practical expertise required for customer-facing roles.

The students in the focus group discussion (FGD) seemed to agree with this assessment. While acknowledging that their lecturers had strong teaching qualifications, students criticized their teaching approach, feeling that it was too theoretical and lacked real-world applicability, which in turn set them for failure when joining the workforce. Given the nature of vocational training, the students believed the gap between their skills and industry expectations should be far less when finishing their courses.

The importance of vocationally skilled trainers is highlighted by the Australian Industry and Skills Committee, noting that industry-certified trainers in Australia's TVET sector bring current, real-world expertise into the classroom. They ensure training aligns with the most recent technologies, tools and methods used in the workplace (AISC 2021).

TVET stakeholders like Dr Raelyn ‘Esau, Dean of the Faculty of Business and Public Administration at TNU, pointed to the use of work placements as a key practical learning component of the curriculum, but acknowledged the variability in their effectiveness depending on how well placements are structured and supervised by both the training institution and the employer.

Tourism enterprises noted in this respect that several TVET institutions offer work placements in the early stages of the students’ training, resulting in them being placed in businesses before they had developed skills that would contribute to the business hosting the student. Many tourism enterprises felt that they had been left with the primary task of training the students rather than serving as a venue to reinforce and build upon previously learned skills. The training institutions and students spoken with for this study acknowledged similar issues.

Outside of placements, most of the tourism TVET courses provide little industry exposure across the 12–18 months they run. As such students have little opportunity to reinforce industry-based technical experience or the soft skills associated with engaging with customers. In general terms, graduates’ readiness to undertake the basic competencies of their first job out of training is often deemed to be insufficient and, where present, is attributed to an individual’s drive and personality rather that the skills they had learned via TVET courses.

The recent National Tourism Forum in March 2025 flagged the possibility of developing diploma or certification programmes for tourism-related professionals. However, at this stage, this seems to already be met by the courses on offer at TNU, and as highlighted throughout this report, there are numerous factors impacting the growth opportunity of Tonga’s tourism sector. As such, pushing to increase demand for higher level education without corresponding sector growth will likely only serve to drive migration of those skills, rather than their retention in country.

Even so, there are opportunities to improve skills development and operational service provision within the tourism sector, led by the greater industry collaboration with training institutions. Any such collaboration must be based on tourism sector stakeholders recognizing the need to reassess and assume some responsibilities in the delivery of vocational training, treating the matter as a collective problem to solve. It is unsustainable to continue delivering 12–18-month TVET programmes that fail to meet the needs of students and the tourism sector.

In more developed and commercially oriented environments such as Australia and New Zealand, training delivery and the success of students is competitive, with the training providers actively engaging with and participating in industry partnerships to develop courses that the private sector deems to be of value to invest in. The onus to deliver a viable training product is often led by investments in the training institution. The structure of Tongan vocational institutions and their predominantly religious and community-based goals are not supported commercially to drive delivery in the same manner.

The community focus to build skills and opportunity for students without the commercial contribution of government and private sector limits the resources available to those institutions. Given this differentiation in model and funding, public–private partnerships and a participatory approach – particularly through tourism sector private partnerships with TVET institutions – will be critical to the future success of the tourism sector. In this regard, treating TVET institutions as standalone providers of workers and simply taking on placements represents an insufficient investment on the part of the private sector. The TVET institutions, for their part, will also need to realign their vision of partnership and work more closely with the private sector to identify and deliver successful collaboration models.

As a jumping off point, there would be value in facilitating a forum between the TVET institutions, key private sector operators who have the skills, capability, scale and influence to support TVET–private sector partnerships, and relevant donor facilitators to start discussing business-to-business solutions. It was evident from the stakeholder interviews that while the TVET institutions and tourism operators are aware of each other, such strategic dialogue rarely transpires.

Potential topics that could be addressed in such a forum might include course delivery modalities that better suit the operational needs of the sector. As an example, this might include delivering a series of short course competencies, providing opportunities for students to gain paid employment between and during their studies as they help fill the needs of the tourism sector. For example, students who have completed a housekeeping module could potentially help fill housekeeping roles in the morning in Nuku'alofa while they continue studies in another competency in the afternoon. Opportunities may exist across a range of training/paid inputs in various hospitality roles. Redirecting placement inputs to different models may open ad hoc employment opportunities to a wider pool of trainees for paid work outside of their formal vocational education. Strategies that increase the available pipeline of ad hoc employment should form part of vocational institution–private sector dialogue.

5.2. Creating quality training for the whale watching subsector

Whale watching and marine-based tourism has an essential place within Tonga's tourism sector, particularly in the outer islands, as it forms a core value proposition on Tonga's tourism identity. Given the central role of this subsector to the tourism industry, as well as the delicate environmental balance that needs to be achieved when dealing with the marine environment and sensitive animals like whales, efforts have been made by the Tongan Government to establish and oversee the training of whale watching personnel – but with mixed results.

In 2012, the Tonga Business Enterprise Centre partnered with the whale watching subsector, the Ministry of Tourism, Southern Cross University and the University of the Pacific to develop a baseline qualification for whale guides. As intended, the content has evolved further to align to the specific needs of the Tongan sector. While the course was initially developed and delivered by external subject matter experts, it was envisaged that as the subsector developed, operational subject matter experts from within the subsector would be utilized to support content delivery as new guides were trained. The use of subject matter experts with real operational experience was intended to give the whale watching course a gravity and credibility that would influence positive behaviours in the participants.

The Ministry of Tourism has adopted the role of a training institution for guide and skipper training, coordinating trainers through external or internal resources. The consensus is that while the content has merit and has built upon previously developed programmes, the delivery and guidance of the trainers does not build competencies aligned to best practice and the regulatory frameworks of the subsector. Tourism operators noted that this disconnect undermines the credibility of certified professionals and contributes to inconsistent standards in whale watching operations.

In addition, a proper vocational education methodology has not been adopted nor formalized, and the continuing use of trainers without specific industry experience has impacted the credibility of the training, with one operator stating: "The certifications seem theoretical. They need practical elements that account for the realities we face on the water daily."

Training delivery has also proved to be inconsistent. In 2024, arrangements to deliver skipper and guide training stretched out over six months, with the skipper course initially scheduled for the first two weeks of March, before being postponed to the end of June, with some course material delivered in patches subject to the availability of trainers, with many last-minute changes, in some cases due to Lulutai flight cancellations. Ultimately the course failed to deliver on the competency-based seas skills required for the skipper role.

Vilimaka Foliaki, Acting CEO of the Tonga National Qualifications and Accreditation Board (TNQAB), also noted that for a training course to be accredited by the TNQAB, the vocational trainer must have relevant industry experience and qualifications at least one level higher than the qualification that is being taught. The training delivery of whale guide and maritime courses delivered by the Ministry of Tourism does not currently meet that standard. Mr Foliaki recognized that relevant industry experience and skills were critical to vocational education and that a teaching qualification or a degree in a subject matter, without the relevant industry experience, does not meet the standard.

The TNQAB is currently developing a framework for training and assessment to provide recognition of technical skills and to develop a pathway for industry experts to become trainers in their field of expertise. As noted above, the use of experienced industry operators would be welcomed by the whale watching subsector, enabling it to utilize the existing skills in the marketplace to drive quality improvements. There are several long-serving operators in Tonga whose experience could be invaluable to the future of the subsector.

The Whale Operators Association Vava'u is also currently engaging with TTI to explore the ability of embedding a Whale Guide Course within the institution, improving training accessibility for the subsector. While the framework could sit with the school to ensure the training meets the standards for the industry while allowing the TQNAB to exercise oversight, technical trainers from within the industry will need to be sourced, and where they are not available, support will need to be requested from external parties to build the programme's credibility.

During the stakeholder interviews, many subject matter experts with respected skills and knowledge within the whale watching community were identified and noted a willingness to have a role in the education of future guides and skippers if given the opportunity. A number of whale watching operators suggested that driver and guide competencies for new entrants need to be developed and signed off over multiple training trips on the water, in real scenarios, supplementing classroom training. Operators believe the current training around boat operating sea skills are inadequate for the whale watching skipper competency.

Equally important in maintaining standards and ensuring the content continues to align with the needs of the subsector is the participation of an industry working group to evaluate delivery and to ensure the content remains current to the needs of the subsector. Such a group could be chaired by the representatives from the subsector under a TNQAB framework and consist of experienced whale watching operators, environmental group representatives and a Ministry of Tourism representative. The Industry Training Advisory Committee for whale watching in Tongatapu and Vava'u is currently nominated as the industry working group, although the composition and scope of work of that group had not been established at the time of this report.

5.3. Apprenticeship pilot and youth empowerment programmes

Quality Apprenticeship Pilot

Tonga's first formal Quality Apprenticeship Pilot in the tourism and hospitality sector was delivered in 2024 to address the nation's critical skills shortage and improve employment outcomes for young people. Aligned with the ILO Quality Apprenticeships Recommendation, 2023 (No. 208), Tonga's Quality Apprenticeship Pilot ensures that apprenticeships are not just informal job placements, but structured, rights-protected and outcome-oriented pathways to employment. This initiative was based on a collaborative multi-stakeholder model driven by the MTED, supported by the ILO, the TCCI and hospitality businesses, and implemented through the Áhopanilolo Technical Institute (ATI). It sought to create a structured on-the-job and off-the-job training model that results in a recognized qualification, specifically targeting cookery as the pilot occupation. The selection of cookery was based on employer demand, student interest and ATI's existing capacity as the only accredited provider of cookery training at Certificate Levels 2 and 4 in Tonga.

The pilot aimed to enrol 25 Certificate IV students from ATI's 2024 cohort, revise the curriculum to embed significant work-based learning, and create apprenticeship agreements between employers and students. A two-day workshop was held to finalize the training plan, followed by coordinated placements with eight hospitality employers. Students split their week between classroom theory and paid practical experience in workplaces. Regular reporting, mentorship, monitoring of learning outcomes and development of feedback mechanisms were key features of the delivery model.

The outcomes of the pilot demonstrated both success and learning opportunities. Of the 21 students who initially enrolled, 18 completed the programme and graduated in November 2024. Apprenticeships contributed to employability skill development, enabled hands-on learning, and fostered closer industry–training provider relations. Some students helped develop new restaurant menus and gained formal certificates. The pilot led to the creation of national apprenticeship agreements and improved curriculum alignment with workplace demands. However, challenges included inconsistent adherence to the apprenticeship agreement by some employers, insufficient training support from some supervisors, and the need for clearer occupational safety and health (OSH) and insurance protocols.

Pacific Youth Engagement, Empowerment and Economic Pathways

The Pacific Youth Engagement, Empowerment and Economic Pathways (PYEEEP) project is a three-year pilot initiative launched in Tonga in 2023 to support young people aged 15–24 who are not in education, employment, or training (NEET). Funded by the New Zealand Ministry of Foreign Affairs and Trade and implemented through partnerships with the Tongan Government, educational institutions and community organizations, the PYEEEP provides targeted vocational training in areas such as hospitality, aged care and disability services. In addition to technical skills, the programme offers support in financial literacy, gender equality, human rights and work readiness. The programme is implemented through partnerships between the Pacific Community (SPC), the Youth Development Division of Tonga's Ministry of Internal Affairs, and other stakeholders, including the Tonga National Youth Congress, Tupou Tertiary Institute, ATI, TCCI and the MTED.

5.4. Community-based tourism and training: The example of Fiji

As a small PIC that has built a large tourism industry and is now focusing on making it more inclusive and sustainable, Fiji offers a potential model for Tonga's future development path. Fiji's tourism sector is the most developed among PICs, accounting for a significant share of GDP and employment. In 2023 Fiji welcomed over 900,000 visitors and tourism contributed FJ$3.3 billion to the economy. Fiji has long invested in hospitality education through institutions like the Fiji National University's tourism school and regional training centres, producing a steady flow of graduates. However, in recent years Fiji too has faced skills gaps and labour drains, similar to Tonga's experience.

The Fiji Hotel and Tourism Association (2024) notes that many hospitality workers have emigrated or joined overseas seasonal work programmes, creating a labour shortage in tourism and other industries. This has pushed Fiji to double down on training and retention efforts. The Fijian Government temporarily paused new overseas work applications and – importantly – is encouraging domestic employers to improve local opportunities. Furthermore, Fiji's new National Sustainable Tourism Framework 2024–2033 places emphasis on community-based tourism development and the upskilling of local operators. One strategy outlined is to "support rural and community-based operators to acquire and maintain the skills needed to develop and manage tourism products and experiences". This involves incubator programmes for village tourism projects, mentoring between established resorts and local enterprises, and partnerships with NGOs or international bodies for training. A concrete example is an initiative developed with International Finance Corporation support to train youth in marine tourism. Under this initiative, dive operators in in Savusavu have been "training hundreds of local youths as divers", creating employment for them in the scuba diving and reef tourism niche. These kinds of efforts deliver a high competency standard to the tourism sector, fill skills needs in the market and provide livelihoods in more remote areas. Additionally, Fiji's tourism industry has professional associations that work closely with education providers to ensure curriculums meet industry standards, a model that Tonga's stakeholders have yet to actively engage in.

Fiji's experience shows the importance of aligning national policy with industry action. Recognizing challenges like labour migration, Fiji is proactively working to "bridge the skills gap" through incentives for in-house training and TVET enhancements, and even by considering adjustments to immigration rules to allow easier hiring of foreign skilled workers in the interim.

The stakeholder interviews make clear that Tonga's tour guiding and visitor experience sector, while rooted in a rich cultural context and bolstered by passionate individuals, faces multifaceted challenges. Improving this situation in Tonga will require concerted efforts to reform education and industry practices – as well as policy support. Stakeholders emphasized the need to develop a pipeline of talent through earlier and better-quality vocational training, create workplace environments that value and retain employees, and foster collaboration between schools, businesses and communities to equip Tongans with the skills and opportunities to thrive in tourism at home.

Fiji offers a potential model from the region that can be adapted to address these concerns. Fiji's community-focused tourism growth reinforces the idea that empowering local people through targeted training and inclusive tourism development is critical and yields significant benefits. Box 4 provides further examples of community-focused tourism in New Zealand and Australia.

▶ Box 4. Indigenous tourism in New Zealand and Australia

Māori tourism in New Zealand

New Zealand's Māori tourism sector demonstrates how indigenous culture can be central to tourism growth while empowering local communities. Māori-led tourism experiences – from cultural performances and guided walks to adventure tours on tribal lands – have proliferated, contributing significantly to the economy.

As of 2023, there were 3,595 Māori tourism businesses operating across New Zealand, "collectively employing over 15,000 people" (New Zealand, Government of New Zealand 2025). These businesses not only create jobs for Māori people but often incorporate cultural education for both visitors and staff. A famous example is Whale Watch Kaikōura, a Maori-owned whale watching company in Kaikōura on New Zealand's South Island. Established in 1987 by the local Ngāti Kuri community, Whale Watch Kaikōura was born out of an effort to combat Māori youth unemployment in the town. Its success has been transformative.

The venture's growth stimulated employment not only within Whale Watch Kaikōura (which hires and trains local guides, boat crew, and support staff) but also in "other businesses that benefit from people visiting our town – accommodation, food, retail and other tourism businesses" (Eagle Wing Tours 2014). This ripple effect showcases how investing in a culturally grounded tour experience can drive broader economic benefits. Importantly, Maori values are embedded in the business; guides practice *manaakitanga* (hospitality) and *kaitiakitanga* (guardianship of nature) as core principles, which resonates with visitors and keeps the experience authentic. The Maori tourism model also involves training programmes such as the New Zealand Certificate in Tourism (Māori) to ensure guides have both cultural knowledge and professional skills. The New Zealand Māori Tourism Society, an industry group, provides support and advocacy for Maori operators, indicating a high level of organization in this sector.

Indigenous tourism initiatives in Australia

Australia has increasingly recognized the value of Aboriginal and Torres Strait Islander participation in tourism, leading to initiatives that train and employ indigenous people as guides, rangers and hospitality workers. One flagship programme is the National Indigenous Training Academy (NITA), located at Yulara near Uluru (Ayers Rock) in Australia's Northern Territory. NITA was established in 2011 as part of Voyages Indigenous Tourism Australia with the mission of "helping young Indigenous Australians forge careers in tourism and hospitality". The academy provides accredited training courses in fields like tour guiding, hospitality, retail and landscaping, combined with practical work experience at the resort. Indigenous trainees come from all over Australia, including the local Anangu communities, to participate (NITA, n.d.).

5.5. Conclusions and looking ahead

Stakeholder views on student preparedness and vocational training structures

The consensus among industry stakeholders is that student preparedness for tourism careers is low under the current system. Businesses hosting placements often find themselves playing the role of teacher. While they are willing to help train the next generation, they feel the burden should be shared, with tourism operators asserting that training institutions need to better "show that [they're] listening to [the] private sector" and adjust their curriculums accordingly. In the absence of changes being made to courses based on the feedback being provided by tourism enterprises – for example, moving internships/work placements to the second year of study – operators feel that they are only being "paid lip service" by the schools, with no real corrective actions being taken. This indicates a disconnect between educators and employers.

However, some positive initiatives were noted during this study such as the PYEEEP programme by the Pacific Community (SPC). wherein youth aged 15–24 in NEET status is supported through vocational education programmes in a structured manner.

Also important for Tonga and addressing labour shortages with a commercial focus was the Quality Apprenticeship Pilot, which is laying the groundwork for institutionalizing apprenticeships in Tonga's tourism sector. With strong coordination and continued refinement of training standards, workplace policies and support systems, the quality apprenticeship model shows promise for national scaling and broader youth employment impact. Importantly, the pilot programme presented the opportunity to explore and review different training delivery models. This was a key theme throughout industry consultations with tourism operators – and particularly those who access hospitality (cooking) graduates – who made it very clear that the skills delivered, the length of training and the training outcomes achieved in TVET institutions were not aligning with the tourism sector's expectations. Tourism operators were keen to explore truncated training models that involved a mix of institutional and workplace-based training, but noted that student apprentices needed to arrive at their workplace with increased levels of key competencies in order to enable them to actually progress and further develop their skills in a workplace environment – and to avoid them being a hinderance to their coworkers. This clearly documented building block methodology with partnership responsibilities is key to apprenticeship models and to managing both student and employer expectations.

Other industry-based training

The Ministry of Tourism representative, Anthony Cocker, highlighted community-based training efforts during an interview for this assessment, nothing that the MOT is delivering tour guide training workshops in villages to empower local women's groups to guide tours of cultural and historical sites. He noted that these community members "know all the details. … They have the knowledge, it's just [about] being able to communicate [it] to the tourists." The MOT claim that, with some training in visitor engagement, local guides can confidently "showcase their culture and … uniqueness" to visitors. This illustrates that knowledge exists at the community level and that drawing from the cultural knowledge of elders and community members and adapting this to the skills of storytelling, language and customer service can help build effective guides. By facilitating such training, the Government aims to both improve tour quality and ensure the community benefits – for example, women's groups now manage certain heritage sites during cruise ship days, providing cultural demonstrations and earning income.

However, the quality of training and the evaluation of competencies being delivered by the MOT have been flagged in a number of areas of this report. This, along with the continuing poor level of customer service flagged by visitors to Tonga raises concerns about the governance of ad hoc training being delivered by non-educational institutions and ministries, compounding the industry's concerns surrounding formal TVET institutions.

Strengthening vocational pathways, aligning training content with industry needs (including practical English and customer service skills), and leveraging community knowledge through targeted training are all strategies stakeholders believe will improve the situation. Many of these ideas mirror initiatives seen in other countries with indigenous tourism development, and Tonga can draw on these international examples, especially regarding how improved training and inclusive tourism programmes can boost local employment and skills.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Tonga’s recovery for green and eco-tourism: Products and challenges

This report also seeks to assess the potential for green economic development in Tonga’s tourism sector, providing an estimate of potential green enterprise creation and green job creation in subsectors such as ecotourism and cultural tourism and identifying necessary regulatory, policy and institutional changes that are required to affect the expansion of ecotourism and hospitality in Tonga.

The United Nations World Tourism Organization (UNWTO) categorizes sustainable tourism as “tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities” (UNWTO 2013, 10). The UNWTO recognizes sustainable tourism as a contributor to the three dimensions of sustainable development: economic, social and environmental.

Similarly, in the theme of ecotourism or sustainable tourism, it is widely accepted that a definition encompasses the key themes of[18]:

- Products and services emphasizing the responsible travel to natural areas
- Conserves the environment in which it operates,
- Sustains and contributes to the well-being of the local people, and
- Involves interpretation and education (GEN, n.d.; UNWTO, n.d.).

While this report has focused on workforce supply and demand and the potential obstructions to trade more broadly, in the context of understanding and presenting sustainable opportunities, it is important to evaluate the opportunities and challenges in the context of the specific products and experiences as delivered by the tourism sector. Individual products that present concrete opportunities for tourism development in Tonga include: (i) whale watching and marine experiences; and (ii) yachting charters. Underpinning these are the specific skills required for each product sector and – importantly – developing quality interpretation skills across all those that engage with visitors to Tonga. Interpretation skills – including storytelling, heritage and visitor engagement – are a foundational component of effective guiding and visitor engagement in tourism and are central to enhancing the visitor experience, especially in cultural, natural and heritage-based tourism. Interpretation goes beyond simply providing information – it is about creating meaning, connection and emotional resonance for the visitor with the natural and cultural resources of Tonga.

18 UN Tourism, https://www.untourism.int

6.1. Whale watching and swimming with whales subsector

The whale watching industry in Tonga represents a significant tourism sector, drawing visitors from around the world to experience close encounters with humpback whales. However, the industry faces numerous challenges related to sustainability, regulation, business viability, workforce development and environmental impacts. All these factors have an impact on the availability and sustainability of employment opportunities.

Tonga's whale watching subsector is a core national tourism asset and a flagship attraction that is not being adequately protected, respected and managed.

6.1.1. Industry growth and business challenges

Whale watching operators highlighted the increasing competition in the whale watching industry. While competition in its simplest form can mean many operators competing for the same resources, in the case of the whale watching subsector, competition was clearly raised as leading to practices that are contrary to the sustainability of the industry and the protection of the whales, with a number of operators pointing out poor practices used by some operators when engaging whales, including using an excessive number of vessels, overexploitation of whale encounters and harassment of the whales for the purpose of maximizing time. Such practices have the potential to attract negative response from visitors and threaten the long-term sustainability of the industry in Tonga.

There are many global examples where the increase in the number of tourism operators has led to environmental degradation, overcrowding and a decline in the quality of the tourism experience.[19] In many cases, these issues stem from a lack of clear guidance or regulation, poor enforcement of sustainable practices and inadequate infrastructure to cope with managing the volume or growing number of visitors. Sustainable management practices, regulations and enforcement are crucial for balancing tourism development with the preservation of marine environments.

More specifically, studies now exist that offer conclusive evidence that humpback whales may alter their behaviour following encounters with vessels, which includes altering swim speed and direction of travel, as well as changes in dive behaviour, feeding behaviour and surface activity. Critical and relevant to Tonga's whale population are studies indicating that cetaceans, the group of mammals that whales belong to, are likely to undergo physiological stress along with behavioural changes in response to disturbance, which may affect a lactating female, and any energy used in response to disturbance could, in turn, affect the calf's own development and survival (Currie et al. 2021).

As the industry has expanded, regulatory oversight and environmental sustainability remain major concerns. There was consensus among a majority of operators interviewed for this assessment that weak enforcement of whale watching regulations has resulted in unethical practices, with some operators disregarding safety and environmental guidelines to maximize tourist interactions with whales. Operators report perceived behavioural changes in whales due to excessive human interaction. It was also noted by many operators that while whale numbers started to grow during the COVID pandemic, those numbers have again started to drop quickly, suggesting an impact on migration patterns and changing behaviour due to the growing number of boats and/or poor practices. As destinations develop and the pressure on natural resources increases, governments and tourism industries are engaging in research partnerships to better understand and protect the resources available to them. This serves to protect the natural resources in question as well as the livelihoods and culture of the communities that benefit from these resources.

The perceived inability to develop rigorous, transparent oversight of the whale watching subsector risks harming the external reputation of Tonga's whale watching industry. This directly impacts upon the security of future employment opportunities. With the expansion of the whale watching industry globally, there is an increasing focus on the management of these resources,[20] and countries that do not show due care to protect the natural

19 See, for example: De'ath et al. 2012; Dharrmasena et al. 2023; Butler and Dodds 2022; and Tee 2025.

20 See, for example, Kessler, Harcourt and Heller 2013; McIntosh, Maly and Kittinger 2014; Sumanapala and Wolf 2024; Suarez-Rojas, Hernandez and Leon 2023, Judge et al. 2021; and Suarez-Rojas, Hernandez and Leon 2022.

resources they are exploiting are in danger of being ostracized by increasingly mature environmentally and socially focused tourists.

However, Tonga has continued to leverage its accessibility to the whales in a manner that seems to regard them as an unlimited resource. In 2024, Tonga had 48 active whale watching licenses allowing a possible 96 whale watching vessels on Tongan waters. Based on limited information concerning the dates when licences were first issued and available historic documentation, the current number of license holders appears to represent a 153 per cent increase since 2012, including a 167 per cent increase specifically for Vava'u.

There is also evidence that 2024 saw an increase in behaviours that are contrary to those permitted in the guidelines and the promotion of these practices to potential tourists. This includes – but is not restricted to – operators facing pressure from visitors to engage in photographic pursuits that contravene the practices permitted in the Tongan guidelines. In general, there is an increasing amount of research and evidence highlighting the growing pressure on natural resources brought on by photography in the online environment, predominantly via Instagram and WeChat users seeking to capture their "engagement with nature" picture (Davis et al. 2024), and this pressure is now a real and present danger in Tonga's whale watching industry. In addition, there is evidence that a guidance issued 28 May 2024 by the CEO of the Ministry of Tourism (MOT 3/2/2) implementing a "Total ban on Diving down on any whales" was disregarded by one or more operators on multiple occasions throughout the 2024 season.

Tongan guides are being directed or pressured to contravene proper practices, and the Ministry of Tourism therefore needs to afford the employees in the sector a level of oversight that protects guides from such pressures while also ensuring their adherence to Tonga's whale watching guidelines. Clear guidelines that are applicable to all licensees, consistent training and standards, and a rigorous and transparent monitoring and evaluation regime are critical to building the whale watching subsector into an industry that Tongans can build a future on. To support its oversight of practices, the MOT should consult openly with the industry to explore what additional tools and strategies could improve oversight and improved practices. This may include the use of Automatic Identification System (AIS) tracking to monitor boat movement to better understand the actions that were taken by vessels when complaints are made.

The MOT may wish to explore a formal and transparent incident management system to facilitate documenting and addressing the above concerns, in addition to working with stakeholders to develop codes of conduct that will be displayed on all vessels. All vessels should have codes of conduct that include the relevant fines imposed for contravening these regulations, and these should be clearly displayed and presented to guests. In a growing number of whale watching destinations around the world, penalties can be imposed on operators and guests for improper whale interactions, and a growing number of licence holders believe Tonga's responsiveness when it comes to addressing poor practices in any meaningful manner falls significantly short of global best practices.

The industry also does not believe the MOT has adequately met the training needs of the whale watching subsector in its delivery of guide and skipper training, which has already been raised within this report. There is an opportunity to strengthen the training delivery to a level beyond that which is currently delivered by utilizing skilled personnel from within the sector as subject matter experts, supplemented by external experts as required to maintain and evolve standards. Establishing competency standards reinforced by on water training is critical to building skills that protect whales, employees and visitors.

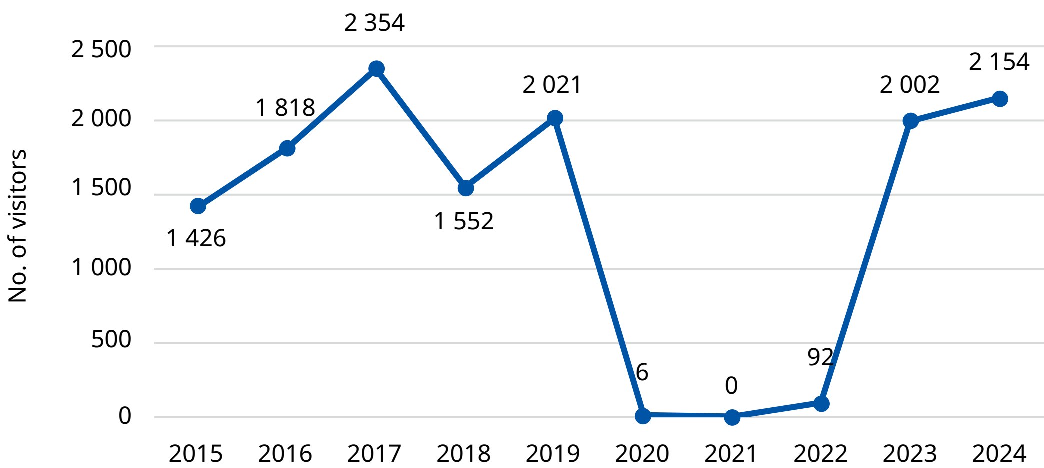
Tonga's current skipper training for whale watching should be reviewed in partnership with the whale watch sector and supplemented with industry-based internal and external instructors until such time as the capability and competency exists within Tonga to deliver a consistent, timely and quality 10–14-day programme. It must include key principles of the International Regulations for Preventing Collisions at Sea as a core element and deliver on boat handling and navigation skills, with practical assessments of a skipper's ability to safely manoeuvre at sea and manage guests safely in and out of the water.

While the whale watching season starts from July, licencing approval and renewal should be commenced immediately following the end of season to ensure continuity and to allow for forward planning for future seasons. Examples of licenses issued days before the start of a season do not reflect a government strategy that is properly focused on the national economic and employment interests of the country. Indeed, the current licensing cycle ultimately fails to recognize the investment and planning required to deliver a consistent product that builds the tourism brand and export income of Tonga. Industry stakeholders may consider a review and mapping of key licensing cycles in order to mitigate administrative barriers to trade as part of the development of the Tourism Roadmap 2025–2030.

6.2. Yachting tourism

Prior to the COVID-19 pandemic, Tonga was becoming an increasingly popular destination for sailing yachts – a wind-powered form of environmentally friendly tourism that caters particularly to high end visitors. The pandemic, however, had a swift and immediate impact on Tonga's cruising yacht sector, with no international visiting yachts in 2020 and 2021 and only 92 visitors arriving by yacht in 2022. Thankfully, 2023 saw total international arrivals by yacht return to near 2019 levels, and 2024 arrivals grew further to surpass what was seen in 2019 (figure 13).

▶ **Figure 13. Tonga visitor arrivals by yacht, 2015–24**



The recently released report *Economic Impact of International Yachting in Tonga*, the Market Development Facility noted that "the yachting industry has the potential to become a significant source of foreign exchange and a driver of tourism growth for Tonga", but would require combined efforts by government, businesses, communities, and regional organizations (MDF 2024).

The return of cruising yachts may seem to represent a recovery, but this is not quite the case. Tonga's cruising yacht sector prior to 2020 comprised of two key segments: (1) visiting cruising yachts; and (2) Tonga-based yacht charters. But while the former has bounced back to pre-pandemic levels, the latter has not yet been able to reestablish itself. The inability to reestablish the charter yacht industry is attributed to a lack of appropriate government investment strategies and policy support for the subsector.

The demise of the Tonga-based yacht charter sector represents a national economic loss greater than the cruising yacht segment. Based on historical cruising yacht numbers and the data presented in the report, it is unlikely that any growth in international visiting yachts would materially bridge the substantial loss of tourism revenue from the yacht charter sector.

The Moorings yacht charter brand, established in the early 1990s, operated in Vava'u up until the COVID pandemic. The Moorings Vava'u operation was the first Moorings base established outside of the Caribbean, and the charter brand's international marketing distribution contributed significantly to the marketing of Tonga and the Vava'u as a yachting destination. This saw Vava'u and Tonga's profile distributed in the key cruising charter centres of the United States, Caribbean, Mediterranean, Australia and New Zealand.

At its peak prior to COVID, the Tongan yacht charter subsector estimated 2,000 charter guests annually, with an average stay of 9.3 days and an average charter occupancy of 5.3 passengers. The sector provided significant local benefit through the provisioning of supplies, with an estimated 35,000 meals provisioned and an average spend per visitor of US$120 per day.[21] Over the years, the charter sector also contributed philanthropically, with visitors supporting local community and education projects in the outer islands through a series of continuing relationships built from season to season.

Visitors chartering yachts would engage at local markets buying fresh produce and handicrafts. Amecia Yeal, who formerly serviced visiting yachts with art and crafts noted that the exceptional high quality, high value hand woven baskets from the Vava'u group were culturally unique and that the yachting community represented a significant market and revenue source for outer island women in business initiatives. These skills and capability have now severely diminished as the market and distribution channels for such products decreased, eliminating an incentive for younger community members to engage in these traditional skills. Helen Walker of Tonga Beach Resort notes how she is still approached by handicraft vendors at the local Vava'u market and asked when the yacht charters will return, a clear recognition of the contribution that the yacht charter sector made to Vava'u handicraft trade. Equally impacted are local taxi drivers, restaurants and other small supporting business, ranging from auto and marine parts suppliers to fuel provision and local supermarkets.

Importantly, a large majority of charter visitors to Vava'u contributed transit travel benefits to Tonga's economy through domestic airfares (inbound and outbound from Vava'u) and Tongatapu-based accommodation and services, but the benefits effectively no longer exist. Tonga is only one of a few global destinations that has lost its yacht charter brand, and while Tonga's yacht charter potential has lain dormant, Fiji and Tahiti have moved to expand their operations and reputation as charter destinations.

The presence of a yacht charter industry in Vava'u delivered wide ranging direct benefits, including;

- the employment of 15 people;
- the development of key personnel with placements and training in Australia/New Zealand;
- introduction of specialized management skills to Vava'u Maritime (Operations Manager – Maritime);
- sharing of technical skills among Vava'u maritime and tourism sector;
- the development and upkeep of maritime infrastructure (marina, mooring buoys);
- an expanded sailing season with yachting charters and visitors in the shoulder seasons either side of the cruising yacht season;
- a wider season of tourism trade with experiences available in the shoulder seasons; and
- the availability of day sail cruise experiences year-round.

Using average values in the years prior to the COVID pandemic, it is estimated that Tonga's yacht charter sector visitors can be expressed as an equivalent to hotel/resort models, annually contributing the following to Tonga's visitor economy:

- 18,600 guest nights (charter);
- 10,456 room nights equivalent (charter);
- equivalent to a 43-room resort operating at 70 per cent occupancy (charter);
- in excess of 3,800 Vava'u airline seats (inbound/outbound); and
- in excess of 3,000 transit room nights (accommodation pre/post-Vava'u).

21 Interview with Moorings Charters.

The presence of a locally based yacht charter sector is a critical contributing factor in facilitating growth of the broader cruising yacht sector. It builds confidence in the international sailing community that the service, skills, knowledge and infrastructure exist in Tonga, should they require such support. It provides an opportunity for Tonga to compete as a cruising yacht destination that offers both an exceptional sailing experience and anchorages with proper technical support. That combination allows the cruising yacht community the ability to factor increased time in Tongan waters, creating competitiveness with destination such as Fiji.

Critically, the quality and timeliness of services provided by the Government to the cruising community through Customs and Immigration must be visitor-centric, building a reputation within the sailing community that Tonga is supportive of incoming yachts. The key attributes of a best practice clearance destination are easy immigration and customs procedures, minimal bureaucracy, efficient or digital clearance systems, transparent rules, low fees, and courteous treatment of crew (Lyman 2024, Yachting World 2019). Unfortunately, visitor and yacht owner feedback highlight that Tonga has much to do to meet such a level of customer service.

The yacht charter sector also represents a sustainable tourism enterprise, allowing visitors to engage with the beauty of Tonga in a manner not afforded many other experiences. Unlike other high-carbon tourism activities (for example, whale swimming with fuel-powered boats), sail-driven yacht tourism is one of the most environmentally friendly tourism options. While the South Pacific nations advocate environmental concerns, including sea level rise, it has been noted as ironic that the Government supports fuel-powered commercial vessels with tax breaks but penalizes wind-powered vessels.

6.2.1. Reestablishing a yacht charter industry in Tonga

Much like resorts, charter yachts require maintenance and upgrades. Charter yacht fleets have a limited life span given the environment they operate in and the competition they face from other destinations, requiring charter markets to upgrade their fleets every five to eight years (The Moorings 2018).

As with Tonga's pre-COVID charter sector, a vast majority of vessels made available to the global charter yacht sector are vessels in private ownership that are leased or revenue-shared to the charter brands. In some cases, yacht owners will upgrade their vessels and continue charter relationships over extended periods, and in others they will provide vessels only intermittently.

Charter fleets build positive brand recognition for the destination in which they operate. Given the limited life span of vessels in charter and the market drivers pushing for up-to-date fleets, the key global yacht charter destinations offer several incentives to ensure the continuing success of this unique product offering.

The key global yacht charter destinations, such as the Mediterranean and Caribbean, are already well established, but governments in these regions still continue to offer a variety of business incentives to operators, recognizing the prohibitive costs associated with the sector, which do not similarly impact land-based accommodation. Incentives have varied depending on the life cycle and scale of the charter destination, and various targeted strategies have been implemented to address differing global and local economic impacts. These strategies have included import duty exemptions, temporary exemptions and import rules for seasonal fleet rotation, decreased VAT on charters and fuel tax exemptions.

Over 4,000 charter vessels over 50 feet operate in the Mediterranean, with the number of sailing vessels in the 26-to-44-foot range estimated to be of equal scale. Given the scale of established charter destinations such as Italy, Spain, Greece and Croatia, it is difficult to make exact comparison with a charter startup such as Tonga, other than to note that all of these destinations have at differing times invested in tax and business incentive policies aimed at facilitating the growth of the charter sector. Like Tonga, European coastlines have limits in available accommodation, and Mediterranean governments recognize that the charter yacht sector adds infrastructure, experience and accommodation stock to their national visitor economy. Given the maturity of the Mediterranean charter sector and noting that no duty is payable on EU-built yachts, current incentives include VAT (GST) concessions and fuel tax exemptions, with the latter focused on incentives related to motor-driven superyacht charters.

Similarly, the British Virgin Islands imposes no sales tax or VAT on charter fees, which is a rare and offers a competitive advantage globally. Instead of VAT, the British Virgin Islands Government collects a modest cruising tax (or cruising permit fee) on charters. This is levied per person per day: currently $4 per person per day for guests on British Virgin Islands-based charter boats.

Following the COVID pandemic, the Australian Government offered a stimulus package that included a 50 per cent tax deduction on vessels over AU$150,000 dollars to establish Australia's charter sector (Queensland Yacht Charters, n.d.).

A key contributor to the failure of the Tonga yacht charter sector was the introduction of an "unbalanced" tariff system for sailboats, applying the tariff similarly to private and charter boats, making it financially unviable to operate a yacht charter business in Tonga. While the import of commercial boats to Tonga, such as fishing vessels, are regularly supported with zero or a minimal import duty, sailboats are subject to an 18 per cent duty and 15 per cent consumption tax. While the consumption tax can technically be claimed back, the financial burden of carrying such cash reserves, and poor business confidence in the consistency of customs processes, creates a risk that yacht owners and their charter partners are unable to carry. Ultimately, there is a failing in this model to recognize that yachts used in charter generate export revenue and contribute accommodation stock to the visitor economy of Tonga, but it possible to take steps to remedy such matters and to create conditions that can lead to the re-establishment, promotion and growth of a Tonga-based yacht charter industry.

Considerations

The reestablishment of Tonga's yacht charter sector would offer significant employment opportunity, wide-ranging skills development, capability sharing, and a significant contribution to the national visitor economy. Importantly, given the rights conditions, it has the potential to expedite more broadly Tonga's tourism recovery and the expansion of a sustainable "green tourism" in the short to medium term, bringing in accommodation and experience solutions at a rate that would seem unlikely to be matched by any land-based redevelopment at this time. The following should be considered to expedite the reestablishment of a yacht charter sector in Tonga.

The Government of Tonga recognize:

- the economic contribution of yacht charter sector as a critical economic export;
- the cost barriers impacting the commercial viability of reestablishing a yacht charter sector;
- the private sector investments made to reestablish a yacht charter sector; and
- the employment, skills development and capability sharing the yacht charter sector offers more broadly to the tourism sector.

The Government of Tonga to review:

- the value and applicability of tax exemptions for yacht charter vessels, as applied to fishing vessels, to approved charter companies; and
- the potential of a simplified annual licence fee per vessel.

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7

Recommendations

An initial presentation of key findings identified ten key overarching recommendation themes as summarized below under "market-based" and "skills-based" headings.

▶ **Figure 14. Overarching recommendation themes**

Market-based		Skills-based	
Leverage data and labour market intelligence	Implement evidence-based decision-making with strategies link to monitoring and evaluation frameworks across all tourism strategies.	**Foster public–private collaboration on skills development**	Bridge the gap between course content, delivery capability and workplace application by strengthening tourism industry participation in design and delivery.
Revive and diversify the tourism product portfolio	Expand product offerings by: revisiting yacht charters, building a sustainable whale watching sector, and expanding marine and land-based experiences, including accommodation.	**Strengthen industry-driven vocational training**	Create a continuous improvement model with industry panels providing review and feedback for key courses.
Invest in outer island tourism infrastructure	Create an enabling investment environment that builds investor confidence to revive and diversify the tourism product portfolio.	**Create targeted workforce retention strategies**	Collaborate as a sector to identify strategies that enhance staff retention and the willingness to work in Tonga, exploring both government and private sector levers and policy.
Implement service excellence & entrepreneur programmes	Support private sector employer groups and the education sector; identify programmes that build the national capability for work readiness and entrepreneurial skills.	**Develop structured apprenticeships and work-based learning**	Develop targeted courses in apprenticeship and module-based (micro accreditation) models that act as building blocks, and fast track competencies at a level required by private sector.
Empower women and youth through niche tourism roles	Identify underemployed cohorts and target skills development opportunities towards these cohorts to meet industry needs.	**Promote tourism as a competitive and valued career path**	Build the national awareness of the value of the tourism sector and the employment opportunities available to Tonga's workforce.

The more detailed risks and recommendations identified in table 7 below align strongly with the ten key themes above. Together, they provide a coherent road map for creating a more resilient, inclusive and productive tourism economy in Tonga.

▶ Table 7. Detailed overview of risks and recommendations

Category	Type	Detail
Skills	Recommendation	Develop short, modular and competency-based vocational training programmes that can be accessed singularly or built upon.
Skills	Recommendation	Align training curricula with industry needs through strong partnerships.
Skills	Recommendation	Training institutions to explore partnerships that provide for in situ training experiences for students, for example, housekeeping at hotels.
Skills	Recommendation	Promote mentorships and structured on-the-job training opportunities with accountability to both the training institution and the employer.
Skills	Recommendation	Expand tourism apprenticeships in hospitality (Cookery).
Skills	Recommendation	Enhance tourism's appeal through competitive wages, working conditions and advancement pathways.
Skills	Recommendation	Increase the participation of industry-based sector experts as trainers to support vocational institution.
Skills	Risk	Outward migration of skilled workers limits domestic workforce availability.
Skills	Risk	Mismatch between training output and industry needs; low confidence in graduates' readiness.
Skills	Risk	Unstructured internships discourage youth from local tourism employment.
Skills	Risk	Weak vocational partnerships and lack of practical training models.
Skills	Risk	Limited incentives and career pathways make tourism unattractive to youth.

Category	Type	Detail
Market	Recommendation	Establish policies which promote the development of ecotourism, cultural and adventure-based offerings.
Market	Recommendation	Apply a research- and evidence-based approach to developing whale tourism policy and planning.
Market	Recommendation	Rebuild coastal resorts and the charter yacht subsector through investment-friendly policies.
Market	Recommendation	Streamline business licensing and regulation processes to improve investors' and operators' confidence, aligning to business cycles, for example, whale watching licences.

Category	Type	Detail
Market	Recommendation	Enhance environmental standards enforcement in marine tourism.
Market	Recommendation	Improve aviation transport connectivity to Tonga and between islands.
Market	Recommendation	Support payment infrastructure and digital tools for remote tourism operators.
Market	Recommendation	Rebuild and empower the TCCI and tourism associations for unified advocacy.
Market	Recommendation	Institutionalize regular public–private dialogue for policy co-creation between the private sector and government.
Market	Recommendation	Improve transparency and governance in licensing and regulatory oversight.
Market	Recommendation	Use digital formats to include outer island operators in workshops and planning.
Market	Recommendation	Incorporate climate resilience and sustainability into tourism planning.
Market	Risk	Limited and lost tourism product diversity limits seasonality, placing overreliance on whale watching.
Market	Risk	Significant infrastructure loss from disasters reducing accommodation capacity and tourist experiences.
Market	Risk	Weak regulation and oversight of whale watching subsector, threatening sustainability and reputation.
Market	Risk	Bureaucratic delays and inconsistent licensing deter investment (internal and external) and restrict business growth.
Market	Risk	Poor connectivity and limited flights to outer islands constrain market access.
Market	Risk	Global competition and economic pressures reduce travel demand to Tonga.
Market	Risk	Weak institutional coordination and unclear lead contacts across government agencies.
Market	Risk	Limited communication and collaboration between government and industry.
Market	Risk	Under-resourced tourism associations with fragmented mandates.
Market	Risk	Data and tracer study gaps hinder workforce and market planning.
Market	Risk	Little to no tourism business investment from the Tongan international diaspora community
Market	Risk	High vulnerability to natural disasters and global shocks.

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Annexes

Annex 1. List of tourism enterprises interviewed

Location	Name	Product
Tongatapu	Ancient Tonga Tongatapu	Hospitality / Tours and Experiences
Tongatapu	Bellavista Cafe	Hospitality
Tongatapu	Billfish Group	Accommodation / Hospitality
Tongatapu	Friendly Islands	Travel, Tours and Experiences
Tongatapu	Jones Travel Ltd	Travel, Tours and Experiences
Tongatapu	Lulutai Airline	Aviation - Domestic
Tongatapu	Ministry of Tourism	Whale Watching & Marine Tours
Tongatapu	Oholei Resort	Accommodation / Hospitality
Tongatapu	Siangana Travel	Travel, Tours and Experiences
Tongatapu	Tahi Tonga	Whale Watching & Marine Tours
Tongatapu	Tanoa Dateline Hotel	Accommodation / Hospitality / Tours
Tongatapu	Tonga Oceania Adventures	Whale Watching & Marine Tours
Tongatapu	Tour Guide	Travel, Tours and Experiences
Tongatapu	Travel Center	Travel, Tours and Experiences
Tongatapu	TT Tours	Travel, Tours and Experiences
Vava'u	Ancient Tonga Vava'u	Hospitality / Travel, Tours and Experiences
Vava'u	Billfish Apartments	Accommodation / Fishing Charters
Vava'u	Chef Zero	Hospitality
Vava'u	C'Scape Adventures	Whale Watching & Marine Tours
Vava'u	Dolphin Pacific Diving	Whale Watching & Marine Tours
Vava'u	Handicraft / Pearl Co-op	Handicraft
Vava'u	Kiwi Magic	Whale Watching & Marine Tours
Vava'u	Kracken	Hospitality / Whale Watching & Marine Tours
Vava'u	Local Tour Transport Owner	Travel, Tours and Experiences
Vava'u	Mounu Island	Accommodation / Hospitality / Whale Watching & Marine Tours

Location	Name	Product
Vava'u	Port Wine Guest House	Accommodation / Hospitality / Whale Watching & Marine Tours
Vava'u	Puataukanave International Hotel	Accommodation / Hospitality / Whale Watching & Marine Tours
Vava'u	Riki Tiki Tours	SCUBA, Whale Watching & Marine Tours
Vava'u	SSS Tours	Hospitality / Tours and Experiences
Vava'u	Tonga Beach Resort	Accommodation / Hospitality / Whale Watching & Marine Tours
Vava'u	Treasure Island	Accommodation / Hospitality / Whale Watching & Marine Tours
Vava'u	Tropicana Cafe	Hospitality / Tours and Experiences
Vava'u	Vaka Vave Charters	Whale Watching & Marine Tours
Vava'u	Vava'u Vakamoana	Whale Watching & Marine Tours

Annex 2. List of ISIC Rev. 4 tourism activities

The following presents a comprehensive list of tourism activities that fall under the tourism sector for the purposes of this report. The activities and their corresponding codes are derived from the International Standard Industrial Classification of All Economic Activities (ISIC), Revision 4 (2008).

1. **Accommodation for visitors**
   - 5510 Short term accommodation activities
   - 5520 Camping grounds, recreational vehicle parks and trailer parks
   - 5590 Other accommodation
   - 6810 Real estate activities with own or leased property
   - 6820 Real estate activities on a fee or contract basis*
2. **Food and beverage serving activities**
   - 5610 Restaurants and mobile food service activities
   - 5629 Other food service activities
   - 5630 Beverage serving activities
3. **Railway passenger transport**
   - 4911 Passenger rail transport, interurban
4. **Road passenger transport**
   - 4922 Other passenger land transport

5. **Water passenger transport**
   - 5011 Sea and coastal passenger water transport
   - 5021 Inland passenger water transport
6. **Air passenger transport**
   - 5110 Passenger air transport
7. **Transport equipment rental**
   - 7710 Renting and leasing of motor vehicles
8. **Travel agencies and other reservation service activities**
   - 7911 Travel agency activities
   - 7912 Tour operator activities
   - 7990 Other reservation service and related activities
9. **Cultural activities**
   - 9000 Creative, arts and entertainment activities
   - 9102 Museums activities and operation of historical sites and buildings
   - 9103 Botanical and zoological gardens and nature reserves activities
10. **Sports and Recreational activities**
    - 7721 Renting and leasing of recreational and sports goods
    - 9200 Gambling and betting activities
    - 9311 Operation of sports facilities
    - 9319 Other sports activities
    - 9321 Activities of amusement parks and theme parks
    - 9329 Other amusement and recreation activities n.e.c.

Annex 3. Visitor arrivals and change in annual arrivals, 2012–2024

Year	Air (visitors)	% change (year on year)	AAGR	Air (VFR)	% change (year on year)	AAGR	Ship	% change (year on year)	AAGR	Yacht	% change (year on year)	AAGR
2012	27 668	n/a	n/a	*19 789	n/a	n/a	7 957	n/a	n/a	1 816	n/a	n/a
2013	26 846	-3%	n/a	21 342	8%	n/a	9 432	19%	9%	2 045	13%	n/a
2014	28 482	6%	1.56%	*20 372	-5%	1.65%	13 733	46%	23%	1 632	-20%	-3.79%
2015	33 405	17%	6.80%	20 347	0%	1.06%	17 375	27%	13%	1 426	-13%	-6.73%
2016	32 817	-2%	2.09%	26 313	29%	0.68%	25 714	48%	24%	1 818	27%	-2.63%
2017	36 323	11%	4.88%	26 183	0%	5.33%	21 719	-16%	-8%	2 354	29%	6.12%
2018	31 499	-13%	2.29%	*22 547	-14%	2.58%	21 708	0%	0%	1 552	-34%	0.38%
2019	41 258	31%	5.88%	26 026	15%	4.19%	24 667	14%	7%	2 021	30%	4.11%
2020	4 492	n/a	n/a	4 503	n/a	n/a	2 530	n/a	n/a	6	n/a	n/a
2021	137	n/a	n/a	65	n/a	n/a	–	n/a	n/a	–	n/a	n/a
2022	12 010	n/a	n/a	6 417	n/a	n/a	3 799	n/a	n/a	92	n/a	n/a
2023	32 116	n/a	n/a	23 633	n/a	n/a	23 943	n/a	n/a	2 002	n/a	n/a
2024	33 228	3%	n/a	29 730	26%	n/a	16 124	-33%	-16%	2 154	30%	4%
2017–19 average	**36 360**			**24 919**			**22 698**			**1 976**		
2023–24 average	**32 672**			**26 682**			**20 034**			**2 078**		

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PACIFIC CLIMATE CHANGE MIGRATION AND HUMAN SECURITY (PCCMHS) PROGRAMME PHASE II

IOM UN MIGRATION · UNITED NATIONS ESCAP · International Labour Organization · UNITED NATIONS HUMAN RIGHTS OFFICE OF THE HIGH COMMISSIONER · PLATFORM ON DISASTER DISPLACEMENT · PACIFIC ISLANDS FORUM SECRETARIAT · NEW ZEALAND FOREIGN AFFAIRS & TRADE Aid Programme