

## The Cave Creek Tragedy: Of Cutbacks, Budgets, and Management

**O**n April 28th, 1995, twenty students from an Outdoor Recreation Course at Tai Poutini Polytechnic at Greymouth, New Zealand, were on an interpretative walk to a Department of Conservation (DoC) site known as Cave Creek. They were accompanied by the Field Centre Manager and a DoC interpreter. Eighteen people—seventeen students and the manager—crowded onto a platform that overlooked a gorge. The newly built platform collapsed, falling thirty metres, killing fourteen, and injuring four others.

This paper will examine the tragedy and its aftermath. The focus will be on the concept of managerialism and how changes brought about by this management system contributed to the failure.

There will be few readers who are not familiar with jargon such as “restructuring,” “downsizing,” “empowerment” and “doing more with less.” Much of this bureaucratese is part of what has become known as “managerialism.” Managerialism can be defined as “the reform process by which public policy adopts marketing and business management concepts and techniques” (Duncan 1995). Proponents believe that by applying this ideology to the public service, government can attain that highest of all goals—a balanced budget and a happy electorate. Whether or not this form of public service management can lead to these results is moot. Pollitt (1993) one of the main critics as well as formulators of the idea, argues that all is not well with such a business-oriented sys-

tem. New Zealand has been one of the foremost practitioners of the theories and concepts embodied in this ideology. Its success or failure is not yet clear. Some history has already been written; Cave Creek and the events surrounding it are one chapter. It is hoped that by reviewing this tragedy and the management environment which helped create it, we can better understand what can happen when inappropriate methods are applied to not-for-profit institutions.

The paradigm shift from the concept of government operating as a non-profit agency for the “public good” has been a major preoccupation of many western democracies as governments attempt to control ever-increasing financial demands on a finite public purse. The most recognisable aspects of this new paradigm include transferring the financial burden to individual customers (users), divesting of responsibilities through the process of privatisation, weakening of unions through legisla-

tion, and reducing staff under the guise of "restructuring." These changes are supported by business and the public who see government agencies as managerially inept and over-staffed. Hence politicians and senior managers have rushed to adopt business practices that are seen as more efficient, financially sound, and politically correct. There is no real evidence that this is the case, and there is growing concern that the opposite may be true.

For example, following the Cave Creek Inquiry an internal response document pointed out that:

It is our view that it is unlikely that the private sector model could ever apply in the same manner in the Public Service where the funding decisions and the management arrangements are more complex and where the requirements of public administration place different demands on the Chief Executive (State Service Commission 1995:24 -25).

Further, there is mounting evidence that quality of service provided by public agencies is suffering considerably. Rees and Rodley (1995) provide a number of examples from the social welfare and health fields in Australia and New Zealand. Their views are supported by others (Mintzberg 1989; Pollitt 1992, 1993; Self 1993). Less work has been done in the area of heritage than in social welfare, but the effects are similar.

The case of Cave Creek is an extreme example of how managerialism has affected the public service and illustrates more generally the problems it has created for heritage managers.

### **Heritage Management in New Zealand**

It is against this background that the way heritage is managed at the national level in New Zealand must be examined. The DoC is the major player, controlling about 28% of the total land surface as well as some marine areas. DoC came into being in 1987. It was an amalgam of a number of departments, all with heritage management responsibilities but with very different corporate histories. The new Department has struggled ever since to create a new work ethos and strategic direction. Managers have been forced to react to continual change and budget tightening. Reacting to these changes has left managers little time to create appropriate communication channels and actually manage the resource.

The consolidation efforts during the first three years of operation resulted in 352 full-time positions being cut from an initial total of 2,300 (Noble 1995:33). Cuts continued and by 1995/96 the number of full-time positions was pegged at about 1,350, plus 250 casual employees. Interestingly, this is 125 lower than recommendations in a 1987 report prepared by the Coopers and Lybrand firm (Noble 1995:33). Within

the West Coast Conservancy, where the tragedy occurred, the number of full-time positions stood at 112.5 in 1994, 24.5 less than the level originally considered necessary. By 1996 this number had dropped to 106.

At the same time the number of properties has increased, as has visitation and legislative responsibilities. Personnel have been stretched to meet these new demands with little by way of new staff. This in turn has lead to a general deterioration of services and capital plant.

Financially, there was a 5% cut in Crown revenue in 1993/94 and a 1.5% decrease for each of the following years (inflation not included). The present budget for DoC is somewhere between NZ\$122 and 130 million, depending on which reports are believed; the figure is certainly closer to the former than the latter. Whichever figure one accepts, it is a liberal one since government charges its departments a 12.5% tax on all goods and services. Furthermore, the Treasury claws back between 10 and 15% as depreciation on resources. Interestingly, none is returned for appreciation on historical buildings and artifacts or on changes in land prices. In real terms DoC has lost 16% of its spending power in the past five years.

The Royal Forest and Bird Society, the major NGO supporting the Department, has for some time pointed out that DoC is grossly underfunded and recently proposed that the budget should be doubled (Hutchings 1996). Others have also

pointed out that there are serious problems with the funding of the Department (Dewar and Thorn, 1994). Considering that foreign tourism alone brings in NZ\$3.4 billion in foreign exchange, of which at least NZ\$600 million is in some form of government taxation, and that the government has run at a net surplus for the past two years, it is interesting to note that none of this money has gone to DoC—something that would not happen in a business.

These issues have led to the recognised symptoms of managerialism-based systems. Dedicated staff are not allowing workloads tied to vacated positions to disappear but are continuing to pick up and redistribute the work leading to stress and burn out. This fact is noted by Judge G.S. Noble in the official Inquiry into the accident (Noble 1995:28-29) and is supported by Hutchings (1996:17), who suggests that Government has consistently played on this loyalty factor. Such a situation gives the impression to the public, senior officials in DoC, Treasury, and Cabinet, that over-staffing is real and their cutbacks were justified. This false impression is a result of poor monitoring and little understanding of work hours, volunteer overtime, and staff turnover rates.

These symptoms were apparent before Cave Creek and appear to have accelerated since. Cave Creek itself is the symptom of a disease that is infecting many publicly run heritage agencies worldwide. In both Canada and the United States similar

managerialism philosophies are being introduced and ironically, in some cases, are modeled on the apparent successes in New Zealand. Below is a brief case study of what happened at Cave Creek and how it fits into the pattern set by misdirected managerialistic ideology.

### **Cave Creek**

History is a great teacher and it is to be hoped that some understanding of what happened will point to the dangers of an over-reliance on managerialism.

The Commission of Inquiry set up by the Government to investigate found a number of reasons for the collapse. The primary cause was the failure of the structure to support the weight of the people on it. The secondary causes were:

- "Failure to provide qualified engineering input into the design and approval of the project." Only one DoC engineer was available on the South Island, and was not consulted.
- "Failure to adequately manage the construction, no one seems to have been in charge of the project." There was no qualified carpenter on site during construction, nor had the Conservancy employed such a person for several years.
- "Failure to comply with statutory requirements," hence no proper inspections by statutory authorities before, during, or after construction. Recent regulatory

changes were not clearly communicated to field personnel. New regulations under the Building Act and a new Occupational Health and Safety Act had recently been put in place, but no training had occurred due to budget constraints.

- "Lack of inspections by qualified DoC personnel."
- "Lack of warning signs indicating that the platform had a maximum loading of 10 people."

This "maximum of ten" is unusual in that the limit was set not for safety reasons but because a staff member could not see "why more than ten people would want to crowd on to it." Signs were produced, but they stated that five was the maximum number of people allowed on the platform at once. No one knows why the number was changed. Regardless, the finished signs never left the workshop.

The inquiry also discussed several indirect factors that played a part in the accident.

**Systems failure.** The West Coast Conservancy of DoC failed to use existing checks to ensure proper procedures were followed. As well there was a general lack of communications between overworked managers at various levels and field staff. In plain language, the management structure was inadequate to cope with expected duties.

**Cost-cutting measures, including staff reductions.** Since 1987, the West Coast Conservancy had lost

112 person-years of staffing, while at the same time visitation increased by at least 25%. Paperwork had also increased, particularly since the introduction of a new Resource Management Act. This, along with continuous changes to the administrative structures, made it very difficult for the staff to cope.

**Continued restructuring.** The DoC personnel are not only responsible for national parks and equivalent areas but have many other duties. They are responsible for 78 acts and sets of regulations plus have input into many more. This, in addition to the constant changing and restructuring, made it impossible for staff to keep up with all that was happening. Key personnel having to cover several job descriptions was common. Some of the roles and responsibilities they were assuming were positions for which they were not qualified. Some staff were working almost double the expected hours. This not-uncommon practice was motivated by professionalism, high interest in the job, and a feeling of moral obligation. This government dependency on the "loyalty factory" is not an isolated one and is well-documented in other public service organisations both in New Zealand and abroad (Rees 1995).

Although the commissioner states that budget cuts were not a reason for the deaths, about 20% of the inquiry deals with the problem of lack of qualified staff, overwork, and lack of training of managers in new regulations and procedures—all largely be-

cause of financial restraints and the resultant overworking of staff.

**Poor work planning practices.** There was, in essence, no work schedule or work planning attached to the construction of the platform or the accompanying trail. The platform was eventually installed by a "volunteer" work party of five employees. From the time of its inception until the platform was in place took over two years, a project that should have taken, at most, three to four months. This discontinuity of time was a direct result of too few people with too many jobs to do. The time span meant that important parts of the structure, such as a steel beam and appropriate bolts, were either mislaid or not at the site during the construction. Nor, surprisingly, was a set of plans.

Two additional points from the Inquiry. First, a member of staff did point out that he felt the railing on the platform was unsafe, particularly for children. Perhaps most sadly, the interpreter accompanying the group had, on a visit the day before, noticed something "wrong" with the platform. She admitted she did not think that the platform would collapse but was concerned enough to bring the problem to the Field Centre Manager. He accompanied the Tai Pou-tini students to check out the situation, and died in the fall.

Judge Noble in his summary says:

I conclude that it would be quite inappropriate to point the finger of blame at any one of the individ-

uals. It is uniquely an institutional failure. The striking feature of the inquiry is that not one of the individuals concerned was ever aware of the appropriate standards to be met, simply because no such set of standards was in place. It was this lack of an proper system that caused the Cave Creek platform to fall, with such tragic consequences (Noble 1995:86).

Not everyone agrees with this finding. At least one author has written a scathing attack on the Department and forwards names of individuals who should be charged (Hunt 1996).

It is the contention of this paper that one of the major problems was the existing system of management, which was basically an zealous application of business practices that may not have been suitable for such a public organisation. In an attempt to become more like businesses, and following models established by business, DoC has systematically changed its operating systems. Authority has been decentralised. This in itself is not necessarily bad but in decentralising it is essential that those who are accepting the devolved authorities are trained for the task. Essentially, empowerment does not only mean the devolution of authority and responsibility, but the transfer of authority and responsibility to an individual who has the training and knowledge to carry out the functions required of them. Moreover, an appropriate support network by way of

a recognised standard operating system is required. None of this was done in the case of DoC operations. According to a response document: "There is a significant backlog of identified training requirements. The Review Team is concerned over the extent of training required in the Department, and in particular, the Department's ability to release staff from their output work to undertake training" (State Service Commission 1995:4).

This lack of training in new regulations such as the Occupational Health and Safety Act (1993) and the Building Act (1991) was particularly lacking and had a large part to play in the tragedy (Noble 1995:53, 66).

The State Service Commission comments further on the problems faced by senior managers in a government department (State Service Commission 1995:23-25). Unlike private enterprise, where a company's Chief Executive Officer (CEO) has a direct means of influencing and advising on issues concerning changes in a company, a senior public servant does not. In the Public Service the situation is much more complex. While the minister responsible for a department acting on the behalf of Parliament may issue a CEO with new functions, the CEO may have little input and must simply accept the new duties. Further, under the government system, the departments are required to establish a liaison with Treasury on any financial issues before they are discussed by Cabinet. Because Treasury acts to

enforce Cabinet decisions on annual budgets (generally to limit government spending), there can be little doubt that Treasury recommendations carry considerable weight in government and decisions made by Cabinet. The difficulty occurs in that often Treasury officials have little or no understanding of the requirements of a heritage organisation or its management. Hence there is often a failure to present reports to Cabinet that reflect the needs of the heritage department. Where conflicts occur between heritage officials and Treasury there is little doubt which view will prevail in Cabinet. Such situations are by no means unique to New Zealand. It is this situation that is a major shortfall of applying managerialism principles in the public service. There is no business-type CEO with the power or credibility to intercede successfully on behalf of the department. Without considerably more CEO control and influence with the funding body (Cabinet), such problems as underfunding or misfunding will continue.

Government CEOs often find themselves in a situation where the Departmental Minister may expect more from their department, while the necessary financial support is often not forthcoming from Cabinet as a result of Treasury's submissions. This is basically what happened in New Zealand when the much-touted and politically correct Resource Management Act was passed. There were more duties but little or no funding to support the new legisla-

tion. Funding was to be found by "restructuring." This situation ripples through the organisation and various levels of management adjust already-heavy workloads and tight budgets to provide the required output. Such situations are not uncommon and are well-recognised by managers within the public sector but apparently not by politicians, those short-term guardians of a country's purse. It is problems such as these that led to the inability of the West Coast Conservancy staff to meet the required levels of responsibility at Cave Creek.

### Conclusion

The reasons for the collapse are many but one is overriding: managerialism. In an attempt to be more "business-like," the New Zealand government, and, accordingly, the DoC, embraced the concepts and philosophies of business management rather than management for the public good. The State Service Commission makes it clear that the use of private business methods may not be appropriate to government organisations.

Downsizing did help provide government surpluses, but also led to the overworking and demoralisation of the civil service responsible for heritage management, not to mention the deterioration of resources. Senior administrators struggled under an ever-increasing set of imposed requirements to perform existing and new tasks to the satisfaction of their Minister and the "budget"—a budget

set in part by Treasury officials with little or no understanding of heritage management. At some point the added weight of responsibility and time pressures were bound to have serious effects on the heritage system of New Zealand. It is sad that the most noticeable effect was the death of fourteen people.

What are the lessons for park managers?

It is apparent from this case study that many of the managers at various levels knew that they were working long hours and not everything was getting done. They recognised the pressure but seemed powerless to do anything about it. This is one of the basic dilemmas of managerialism: although many of the problems are recognised, the power to change the situation is decided at a level and in ways the park manager has little or no control over.

It is important that senior managers and politicians be confronted with the limits of doing more with less, preferably without destroying a heritage resource or killing a visitor. Fundamentally, public service work should not be seen as a business like those in the private sector, but as a much more complex structure requiring its own strategies and methods. This short essay is not the place to discuss these in detail, but there are other management systems, such as the Public-Service Orientation Model discussed by Pollitt (1993).

Managers have a responsibility to ensure that staff are not overworked. It is essential that they recognise work

limits and deal effectively with individuals who work beyond normal working hours. If people are working longer hours, then it is important to understand why. The answer comes with observation and communication with the people involved. This can often be accomplished informally as well as through competently managed performance appraisals.

Further, senior managers must realise that training and upgrading in the modern, fast-changing work environment must remain a part of the system regardless of financial restraint. This is particularly so when the issues relate to staff and public safety. It is fundamental that managers realise that changes in the duties and requirements of an individual job has a cost attached. It is foolish, if not criminal, to change an individual's responsibilities without ensuring that proper training and upgrading is provided.

It is also important for individual staff members to not take on projects for which they are not qualified. The management structure must support such decisions when they are legitimate. A mistake has already been made by directing work to the unqualified; compounding it with acceptance can only lead to disaster. In such places as New Zealand where managerialism practices have resulted in the weakening of unions, the responsibility must fall back on managers and government officials, as well as on regulations such as the Occupational Health and Safety Act.

Finally, managers should realise



that, in hiring, it is important not to underestimate the value of qualified staff. One of the major errors occurring in New Zealand and other countries is the filling of vacant positions with the lowest skill level possible. It is one way of dealing with a tight budget, but is obviously a false economy when one considers the cost of training individuals and the learning curve required to establish the newcomer in the system. The effect on heritage resources and visitor safety that may be placed under that person's control are also at higher

risk—a risk that may come back to the government is costly remedial action, litigation, or loss of the resource. The old adage “you get what you pay for” is so true.

These are easy recommendations to suggest but much harder to put into practice. If, however, heritage managers do not succeed in applying these recommendations, they will continue to see the deterioration of vital natural and cultural heritage, not to mention the possible risk to individuals, both visitors and workers.

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