A best practice for small to medium enterprises in the adventure tourism sector to effectively manage regulatory compliance in Queenstown in New Zealand.

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DECLARATION

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This Thesis entitled:

A best practice for small to medium enterprises in the adventure tourism sector to effectively manage regulatory compliance in Queenstown in New Zealand.

is submitted in partial fulfilment of the requirements for the Unitec degree of:

Master of Business

CANDIDATE’S DECLARATION

I confirm that:

- This Thesis Project represents my own work;
- The contribution of supervisors and others to this work was consistent with the Unitec Regulations and Policies;
- Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has fulfilled any requirements set for this project by the Unitec Research Ethics Committee.

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<tr>
<td>AALA</td>
<td>Adventure Activity Licensing Authority</td>
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<td>ACC</td>
<td>Accident Compensation Corporation</td>
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<tr>
<td>ACOP</td>
<td>Approval Code of Practice</td>
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<td>AMPTO</td>
<td>Association of Marine Park Tour Operators</td>
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<td>CAA</td>
<td>Civil Aviation Authority</td>
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<tr>
<td>CTS</td>
<td>Certification of touristic sustainability</td>
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<tr>
<td>DfSE</td>
<td>Department for Skills and Education</td>
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<td>DOC</td>
<td>Department of Conservation</td>
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<td>DOL</td>
<td>Department of Labour</td>
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<td>HSE Act</td>
<td>Health and Safety in Employment Act 1992</td>
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<td>ISO</td>
<td>International Organization for Standardization</td>
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<td>MBIE</td>
<td>Ministry of Business Innovation and Employment</td>
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<td>MED</td>
<td>Ministry of Economic Development</td>
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<tr>
<td>MfE</td>
<td>Ministry for the Environment</td>
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<tr>
<td>NEAP</td>
<td>Nature and Ecotourism Accreditation Program</td>
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<td>NZFWDA</td>
<td>New Zealand Four Wheel Drive Association</td>
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<td>NZMSC</td>
<td>New Zealand Mountain Safety Council</td>
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<td>NZOIA</td>
<td>New Zealand Outdoor Instructors Association</td>
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<tr>
<td>NZORB</td>
<td>New Zealand Outdoor Registration Board</td>
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<tr>
<td>RMA</td>
<td>Resource Management Act 1991</td>
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<tr>
<td>ROSA</td>
<td>Registrar of Outdoor Safety Auditors</td>
</tr>
<tr>
<td>SPRITO</td>
<td>Sport, Fitness and Recreation Industry Training Organisation (Now called Skills Active)</td>
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<td>SPARC</td>
<td>Sport and Recreation New Zealand</td>
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<td>TLAs</td>
<td>Territorial Local Authorities</td>
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<td>WSMP</td>
<td>Workplace Safety Management Practices programme</td>
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ABSTRACT

Adventure tourism is considered as ‘a broad term which encompasses all types of commercial outdoor tourism and recreation with a significant element of excitement’ (Buckley, 2010, p.5). It involves outdoor activities that contain a combination of excitement, uncertainty, risk and danger, with participants willing to pay for services rendered (Buckley, 2010). New Zealand is an adventure tourism destination par excellence and Queenstown is marketed as the adventure capital of the world (Cater, 2006). Adventure tourism is closely linked to the participant’s personal experience and is subjective. While some people will consider experiencing the plant and animal kingdom and other sights as adventure tourism, others prefer activities that are physical in nature (Buckley, 2006).

Two versions of adventure tourism exist, namely soft and hard. Soft adventure tourism deals with those activities which involve little risk, such as walking, watching dolphins and fishing. The hard adventure tourism constitutes activities perceived by both participants and operators as having a high level of risk; notably, skiing, surfing, diving, snorkelling, parapenting, snowboarding, horse riding, sea kayaking, climbing, caving, abseiling, white-water kayaking, ballooning, rafting, mountain biking, snowmobiling and off-road driving. Adventure tourism involves an interaction with other elements, notably risk, access, communication and the environment.

When participants indulge in adventure tourism activities, they expect the risk to be managed appropriately, with negative outcomes such as injury or inability to carry on with other activities mitigated. The tragic death of British backpacker Emily Jordan, while river boarding in rapids in the Kawarau River Gorge near Queenstown on April 29 2008, highlighted the issue of regulatory compliance within the adventure tourism industry in New Zealand.

The compliance burden problems encountered by small and medium size enterprises can be grouped into;

- administrative cost- for example, processing and filing compliance forms
- capital cost-investment in equipment and facilities required for the activities
- indirect and efficiency cost- reduced productivity and innovation arising, for example, as a consequence of regulation (Ministry of Economic Development, 2006).

The aim of this study is to propose solutions to compliance burdens within the adventure tourism industry in New Zealand, by first identifying which regulatory
practices impose the greatest burden to small and medium sized enterprises in the industry. My research objectives are transformed to research questions, which guide the entire study. In addition, the research was conducted making use of the qualitative approach. A total of 10 interviews were conducted and covered land, water and air based activities. The data collecting method involved conducting an interview made up of 10 questions.

After analysing the findings, the researcher concluded that complying with regulations is an issue within the adventure tourism sector in Queenstown in New Zealand. This is further hampered by jurisdictional split across the diverse agencies. To handle such shortcoming, the information gap has to be addressed so as to facilitate dissemination of information to all stakeholders within the sector. In addition, providing better managerial skills within the sector through government training schemes and free business advice to operators within the sector is recommended. Moreover, a common standard can be introduced across the sector by establishing guidelines for risk, during emergency while handling clients, staff, equipment, administering basic first aid and monitoring. The result of this research is expected to produce a picture of the prevailing nature of issues raised in the studies to all concerned stakeholders.
CHAPTER ONE: INTRODUCTION

The tourism sector in New Zealand, as in much of the world, is dominated by a large number of small businesses, and a handful of medium to large operators (Ateljevic, 2007). The economic and political reforms in the 80’s transformed the New Zealand economy by opening it up to international investment and diversification, and the development of the country’s adventure tourism sector has its roots in this time.

Within the global adventure tourism industry, New Zealand is known for its innovation and originality: activities such as commercial jet boating, bungy jumping and plastic sphere riding (Department of Labour, 2010). The rise in popularity of adventure tourism worldwide has positive consequences for New Zealand, and the country is internationally recognized as a destination for this type of tourist (Bentley, Page & Macky, 2007). Advances in technology have reduced the duration of travelling, contributing to people visiting remote destinations which are of interest to them. Around 10% of visitors take part in such activities (Callander & Page, 2003).

Adventure tourism involves a combination of excitement, uncertainty, risk and danger, with participants willing to pay for being exposed to such situations (Buckley, 2010). Given the elements of risk, uncertainty and potential danger involved, particularly in hard adventure tourism, participants in adventure activities require protection (Bentley & Page, 2008). However, the sector’s attractiveness to participants is predicated upon a certain amount of risk. If all the risks are managed, such that the adventure is removed from the experience, the activities within adventure tourism will cease to be appealing to its target market, for whom thrill and excitement are primary motivators. Therefore risk must be managed intelligently: actual risk and uncertainty of outcome is minimized, in such a manner that perceived risks are maximized thereby controlling actual risk and uncertainty of outcome (Bentley & Page, 2008).

Regulation exists to safeguard standards and procedures within the adventure tourism sector in New Zealand. The standard operating procedures and systems are focused on six major areas:

1. Hazards
2. Clients
3. Staff
4. Emergencies
5. Equipment
6. Incidents
The issue of compliance is highlighted within the adventure tourism industry in New Zealand in the form of various standards, qualifications and enforcing agencies. The compliance burden is increased by a jurisdictional split across the diverse agencies governing this compliance: the Department of Labour, Maritime New Zealand, Ministry of Transport and Civil Aviation Authority (Department of Labour, 2010).

The Ministerial Panel on Business Compliance Cost, established in New Zealand in December 2000, had as its major role the task of advising the government on ways to reduce the unnecessary or over burdensome compliance cost affecting businesses (Ministry of Economic Development, 2006). The focus of this study is to identify a best practice through which small and medium size enterprises (SMEs) within the adventure tourism industry can better handle the regulatory burden in New Zealand. The information gathered from the study provides operators wishing to join the sector with an in-depth understanding of the challenges that exist, and possible solutions. Moreover, the research empowers operators in the adventure tourism industry by providing a better understanding of their operating environment, ensuring that their activities are conducted in compliance with laid down regulations.

1.1 Research Aims

This research is intended to determine the best practice for small, medium and micro scale enterprises (SMEs) in adventure tourism to manage the burden of regulatory compliance in New Zealand. It is focused on trying to identify which regulatory practices impose the greatest burden on small and medium size enterprises in the industry, and on proposing solutions to assist with these compliance difficulties.

1.2 Objectives

The research objectives translate into research questions which guide the entire study. The research is therefore centred on answering the following questions:

- What do adventure tourism operators consider as obligations when conducting adventure tourism activities?
- What are the possible areas within the adventure tourism sector where a form of regulation instrument should be encouraged?
- To what extent do operators within the adventure tourism industry indulge in adventure activity without an adequate risk management plan?
To what extent do adventure tourism operators report injury related incidents?

What are the obstacles faced by operators when managing the regulatory compliance burden within the adventure tourism sector in New Zealand?

Will the obligations of adventure tourism operators change after the 1st October 2011 Legislation is introduced within their sector?

What constitutes a best practice to manage regulatory compliance within the adventure tourism sector in New Zealand?

1.3 Overview of Chapters

The aims, objectives and the research questions are the topics of discussion in this chapter. The literature review will be examined in chapter two, thereby providing a vivid picture of adventure tourism and its related issues on a global perspective, before shifting to focus on the adventure tourism sector in New Zealand and its related problems. Chapter three will deal with research methodology, highlighting a preference for the qualitative approach during the research. The mode of interview which generated the data for the research, coupled with the data analysis process, is also discussed in this chapter. The research findings are discussed in chapter four and are followed by discussion in chapter five. The final part of the study contains conclusions and recommendations in chapter six.
2 CHAPTER TWO: LITERATURE REVIEW

This chapter reviews studies that have been conducted by other researchers on adventure tourism, and is divided into four parts:

1. World-wide observations on adventure tourism
2. Adventure tourism in New Zealand
3. What concerns impact on New Zealand adventure tourism businesses
4. Implications of these concerns, and the way in which these generate the research questions

The introductory portion of this review defines some words or phrases that will be used during the research. Other documents or publications have used such phrases and words differently, and the purpose of definition is to ensure that there is clarity and proper distinction of usage.

2.1 Definition of concepts

The New Oxford dictionary of the English language (2005, p.23) defines adventure as an ‘unusual and exciting, typically hazardous experience or activity’. The same source (p.1782) refers to tourism as ‘the commercial organization and operation of vacations and visits to places of interest’. Thus, adventure tourism will be considered to mean commercially organized unexpected or exciting experience, daring experience or hazardous activity.

Buckley (2006) defines adventure tourism as outdoor activities that require some form of physical equipment, resulting in excitement on the part of the participant. This is the definition also accepted by the World Tourism Organisation (WTO), (Spalevic & Igrace, 2011). Two versions of adventure tourism exist: soft and hard. Soft adventure tourism deals with those activities that involve little risk such as walking, watching dolphins and fishing, camping and bicycle riding; while the hard type constitutes activities perceived by both participants and operators as having a high level of risk. The typical hard adventure tourism activities will include: skiing, surfing diving, snorkelling, parapenting, snowboarding, horse riding, sea kayaking, climbing, caving, abseiling, white water kayaking, ballooning, rafting, mountain biking, snow mobiling, off road driving and heli-skiing (Buckley, 2006). Watching dangerous wildlife is also considered as hard adventure tourism, due to the risks involved (Buckley, 2010).
No clear-cut lines can be drawn demarcating the concepts of ecotourism, adventure tourism and other outdoor activities (Spalevic & Igrace, 2011). Within the same context, adventure tourism is also defined as any commercial activity that relies on natural terrain, requires specialised equipment, and is exciting for clients (Buckley, 2007; Smerek, 2010). Adventure tourism can also be considered as ‘a broad term which encompasses all type of commercial outdoor tourism and recreation with a significant element of excitement’ (Buckley, 2010, p.5). It involves outdoor activities which contain a combination of excitement, uncertainty, risk and danger, with participants willing to pay for services rendered (Buckley, 2010). There are also some passive activities which are connected to ecotourism, such as safari and trekking within difficult landscape, and Callander & Page (2003) also consider them to be part of adventure tourism.

Finally, adventure activities, as outlined in the Health and Safety in Employment Act of 2011 in New Zealand, constitute activities that are designed with the aim of exposing the participants to a risk of serious harm which has to be managed by anyone providing such an activity (SupportAdventure.co.nz, 2012). When defining the concept of adventure tourism, much consideration is given to the participant’s personal experience. That is why watching the animal and plant kingdom, and other remarkable sights, are considered adventure tourism to some people, while others prefer activities that are physical in nature (Buckley, 2006).

People take part in adventure tourism activities for a variety of reasons. Buckley’s (2012) list of factors motivating people to indulge in adventure activities included: thrills, fear, control, skills, achievement, fitness, image, spirit, escape, nature, friends and art. Upon the completion of a specific adventure activity, the participant experiences what Buckley (2012) termed as ‘rush’. He considered ‘rush’ to mean an excitement linked to physical performance of a particular adventure activity at the limit of an individual’s capability, managed under favourable circumstances by a person who is skilled and trained in the activity concerned.

The majority of the tourism sector in Europe (Thomas, 2004) is composed of Small and Medium size enterprise (SMEs), defined within the European context as companies having a workforce of less than 250 employees. In New Zealand, the Ministry of Economic Development (2003) defines a small and medium size enterprise as any business venture that employs 6-19 full time employees (FTE) and a small enterprise as any business venture that employs 5 or less FTEs.

Regulations are broadly grouped into prescriptive ‘command and control requirements’ and self-regulatory approaches (Yapp & Fairman, 2006, p.43). While
prescriptive requirements set specific standards to be adhered to by business proprietors, self-regulatory approaches imply that the government will ensure that companies form a set of rules made specifically for eventualities faced by the company, which is then approved (or rejected) by enforcing agencies.

In addition, Yapp & Fairman (2006) identified two strategies used by government to deal with non-compliance: ‘compliance and deterrence’ strategies. The compliance strategy utilizes a flexible and pacifying approach to enforcement when faced with non-compliance. Deterrence involves enforcement action, notably prosecution and closure of business. Enforcement agencies the world over preferred a blend of the two approaches. In the UK, issues dealing with environmental jurisdiction adopt the compliance approach. The reasons advanced for these have to do with the difficulties of identifying violations and the close link existing between businesses and enforcement agencies leading to flexibility in enforcing regulations.

Yapp & Fairman (2006) go on to highlight the barriers which prevent effective regulatory compliance within small and medium size enterprises: lack of financial resources; lack of time; lack of experience; lack of access to information; lack of support; lack of interest; and lack of knowledge.

2.2 General (World Wide and global) observations

Adventure tourism has experienced a tremendous surge in popularity around the world. While some countries have witnessed rapid growth within the sector, others have not been successful, as in Serbia where a relatively small number of people are involved in adventure tourism activities (Spalevic & Igrace, 2011). The expansion of adventure tourism, like any other form of tourism, is influenced by pull and push factors. While pull factors take into consideration the natural environment, the conditions of the environment and diverse forms of publicity targeting tourists, the push factors involve all factors that make tourists develop the intention to travel. These include running away from routine tasks, much free time, availability of financial resources, motivation of the individual, and the demand of tourists (Spalevic & Igrace, 2011).

There is some difference in the organization and management of adventure tourism activities across the globe. In Scotland, what normally qualifies as adventure tourism activities in other countries is known as ‘extreme sports’ and is managed by a body called VisitScotland (Page, Bentley & Walker, 2005). Activities such as black water rafting and bungy jumping, which constitute the popular activities under adventure
tourism in other countries, are considered as ‘extreme sports’ in Scotland. ‘Extreme sports’ activities rely more on educational outlets, which supply them with clients in the form of trips organized by schools to locations licensed by Adventure Activity Licensing Authority (AALA). The government organ which supervises ‘extreme sports’ activities in Scotland is the Department of Skills and Education (DfSE).

A host of countries, namely France, Chile, Brazil, Australia, India, Switzerland and the United Kingdom have a statutory scheme in place to regulate adventure tourism activities. The United Kingdom also operates a licensing scheme, linked to activities offered to young people under the age of 18 who are not together with their parents. There are many certification schemes operating within the adventure tourism section globally, but certification schemes do not serve as a panacea to problems encountered by operators within the adventure tourism sector.

Dodds & Joppe (2005) believe that certification schemes, despite their popularity, have not been successful to ensure that Small and Medium Sized Enterprises (SMEs) can secure access to major market opportunities and propel the tourism industry towards sustainability. They also argue that, whilst guidelines are common within the sector, there is a lack of will to implement or evaluate such guidelines. However, they also mention some of the positive aspects of certification, such as reduced costs and environmental protection (water, waste and energy savings). Such positive trends have greatly enhanced management practices and processes.

For certification to be a useful tool, Dodds & Joppe (2005) examined certain criteria which must be enforced. First, there must be a body in place to observe and adopt the industry driven criteria. Second, there is a need for more business to business marketing, in order to mitigate against the low responsiveness of business to consumer marketing. Third, educational channels must be used to create demand. Fourth, critical mass must be secured. And fifth, quality within the sector must be closely tied to environmental and social management.

An international workshop on ecotourism and sustainable tourism was held in Mohonk Mountain House, New Paltz, New York in November 2000 (Dodds & Joppe, 2005). The Mohonk Agreement constitutes a framework and principles for certification within the global tourism industry, and its final document adopted general principles and elements that any sound ecotourism and sustainable tourism certification programme must possess. Lascurain (2001) identified some examples of best practice, based on certification within the ecotourism and sustainable tourism sector. The National Ecotourism Accreditation Program (NEAP), launched in Australia in 1996 and jointly operated by the Australian Tour Operators Network, was
introduced to expose genuine ecotourism operators. Accreditation was secured through the award of points or advanced ecotourism accreditation. Costa Rica is another example of a country with best practice in accreditation. The country’s national accreditation commission for the certification of sustainable tourism issues a certificate of touristic sustainability (CTS) to operators who comply with cultural and environmental standards.

The ranking of adventure tourism destinations places Switzerland tops on the list from studies conducted by the Adventure Tourism Trade Association in 2008 (The Independent, 2011). Buckley (2010) cited what he considered ‘single day adrenalin runs’ activities around the world, among which featured Queenstown in New Zealand, Cairns in Australia, Victoria Falls in Zimbabwe, Chamonix in France, Pacific Harbour in Fiji, Voss in Norway, Bozeman and Moab in the USA.

So many countries in the world are making use of their natural environment to boost tourism as the case of the recently industrialized countries. The evolution in the fortunes of developing nations such as China and India has also seen a massive increase in their domestic adventure tourism sector and expenditure. Chinese tourists will spend $604 million in 2013 within the New Zealand economy, overtaking the expenditures of tourists from United States of America and United Kingdom (Ministry of Economic Development, 2012). The evolution of tourism in Yunnan Province in China benefitted from lessons learnt from the industry in Australia and New Zealand. Delegation of officials from Yunnan Province paid visits to New Zealand and Australia for ‘inspection’ tour of touristic facilities (Winter, Teo, & Chang, 2009). They further explained that, within some touristic sector in China, the State is deeply involved as regulator and owner in the development process with some scenic spots considered as tools of patriotic learning.

2.2.1 Risk issues in adventure tourism

Adventure tourism involves an interaction with some key elements, notably risk, access, communication and environment, and Buckley (2010) considers the above elements as major operational management aspects linked to adventure tourism. The adventure tourism sector has policies and provisions put in place by national governments to ensure regulatory compliance, particularly in relation to risk, access, communication and environment, and a detailed examination of those elements will highlight the impact of the regulatory compliance requirement within the adventure tourism sector.
Throughout Europe, it is small and medium size tour operators that play a major role in the adventure tourism sector (Pomfret, 2007) and, to ease management of adventure tourism activities, operators and guides need to be trained in both hard and soft skills (Morgan& Fluker, 2003). Hard skills are in relation to technical competence and include skills such as: control of craft, rescue, training in first aid, use of specialized equipment and navigation. Soft skills will refer to personal qualities exhibited by guides and other workers to manage customer experience during adventure tourism activities.

Risk remains one of the major elements of adventure tourism that has triggered off much research, though most businesses have to put up with some degree of commercial risk as part of its management. There are two types of commercial risk which are prevalent within the adventure tourism sector—hostile takeover and copycat operators—and Buckley (2010) further explained that hostile takeover risks occur when local partners in the developed world use their influence or legal status to squeeze out the original founders of the business. Copycat businesses are common within the adventure tourism sector, where there are no restrictions to the entry of new businesses or any form of protection such as intellectual property rights.

Tourists who want to indulge in adventure tourism expect the risk they are undertaking to be managed, and the management of actual or perceived risk is the backbone of the notion of adventure tourism (Buckley, 2010). Adventure tourism is by definition potent with risk, which at times results in accidents and injury, and Bentley, Cater & Page (2010) summarized risk into four major categories:

1. Client associated risk
2. Equipment or task related risk
3. Environment related risk
4. Management or organizational related risk.

Under client related risk, Bentley et al (2010) considered issues such as clients not adhering to instructions, showing off, level of client fitness, client ability and client taking unnecessary risks or short cuts. In equipment and task related risk, the degree of the challenge is linked to the activity, travelling to and from the activity, and unusual or unpredicted activity or events. In environmental factors, Bentley et al (2010) mention unpredictable weather conditions, hazardous terrain, threat of drowning, exposure to the sun, and dangerous creatures. Managerial and organizational risk can result from fatigue, stress, insufficient client/guide ratios,
team dynamics, communication problems, and failure to identify, control or assess the hazard (Bentley, Cater & Page, 2010).

Risk, according to Bentley and Page (2008), is a double edged sword. If risks are all managed and adventure extracted from an experience, it will cease to be attractive and exciting. The solution is to enhance perceived risk while controlling actual risk and uncertainty of outcome. Thus, the challenge for adventure tourism operators is to balance risk, excitement and a client experience without prejudicing the appeal of participating in that particular activity (Page, Bentley & Walker, 2005). Weber (2001) further explains that, when engaging in adventure tourism, individuals by not fully addressing their safety needs willingly accept elements of risk so as to satisfy their quest for adventure. For any activity to be qualified as adventurous, a certain degree of risk must be present.

The Health and Safety in Employment Act of 2011 in New Zealand reiterates the fact that adventure activity is designed to expose the participant to a risk which has some potential for harm but must be managed by those providing the activity (Department of Labour, 2012). Some of the risks shouldered by tourists can result in major fatalities. For example in June 1999 four British tourists drowned while engaged in white-water rafting in Austria (Cater, 2006; The Guardian, 1999). Another fatal incident occurred in Switzerland a month later in which 21 people died while canyoning (Cater, 2006); and, in May 2000, an American bungy jumper died when his bungy malfunctioned and he plunged headfirst into the car park (Cater, 2006). Different activities have varying level of risk depending on the locations; for example bungy jumping can be arranged from specially constructed structures where the risk can be effectively managed. This is important, for such tragedies seriously bring into question the safety procedures which exist in the adventure tourism sector.

2.2.2 Access issues in adventure tourism

Adventure tourism activities depend on the particular topography. Participants who want to ski and engage in snowboarding need slopes covered with snow; surfers normally require waves to suit their needs; rafters and those involved in kayaking need rivers with certain specifications and gradients. The owners of such areas, or those who manage or grant access to them, would have to decide if adventure tourism operators can carry out such activities on their land or water and, if so, under what conditions (Buckley, 2010).
For the engagement of any such activities, Buckley (2010) affirms that several issues must be considered: attitude of the community; nature of the risk associated with the various activities; and the economic or environmental impact of the activity concerned. Moreover, Buckley (2010) states that the issue of local control in terms of management or monitoring must be clarified from inception. If such an activity is to be carried out on public land, the management framework has to be worked out with legislature or other statutory instruments playing a major role. This creates a form of compliance responsibility on the part of the operator of such adventure activities.

Land managers in Australia will not permit an operator to gain access to any location without compliance with the minimum requirements (Morgan & Flucker, 2003). Bentley, Cater & Page (2010) cite the situation of commercial Queensland adventure ecotourism in Australia, where it is mandatory for operators to comply with legal requirements, particularly the Queensland Workplace Health and Safety Act of 1995 as well as other specific government licensing requirements. They further explain that Australian commercial operators are liable to damage claims resulting from accidents and other injury, and may end up paying compensation to those injured.

Genter, Beckwith & Annandale (2007) consider access to areas which are targets for conservation purposes as of major importance to tour operators in adventure tourism, for increases in the number of tourists in such conservation areas exert pressure on the efforts geared towards conservation. Genter et.al. (2007) observed that the compliance burden is manifested through insecurity of licences, the paper work and time spent to renew licences, and a lack of transferability of some form of licence.

Buckley (2006) notes that rafting tours in countries such as Chile, China, Nepal, Tibet, Zimbabwe and Uganda are operated within areas having a considerable number of local populations with agricultural, fisheries and pastoral activities. That notwithstanding, there are limited domestic and international studies focusing on the relationship between the nature tourism industry and the government agencies that regulate their activities (Genter et. al, 2007). This supports the fact that not much research has been conducted to assess the compliance burden within the nature tourism sector.

2.2.3 Communication issues in adventure tourism
Communication has an active part to play in adventure tourism activities. Buckley (2010) outlined four main categories of communication that occur within the adventure tourism sector:

1. Normal conversation with all stakeholders.
2. Routine but critical communication with emphasis on risk and safety, health and hygiene and client satisfaction.
3. Emergency communications which arises as a result of participants being in harm’s way, occasioning injury or death.
4. Other communications which aren’t connected to any emergency but have strong emotional overtones.

It is difficult to have an efficient multi-agency system if the agencies are not communicating effectively (Genter, Beckwith & Annandale, 2007), and such communication is needed in handling tour operators licensing and other activities related to adventure tourism. Communication plays a major role in adventure tourism, since injuries and fatalities suffered by tourists can severely dent the image of adventure tourism via the globalized media (Bentley & Page, 2008). Bentley &Page (2008) further emphasize that events which have the potential to tarnish the image of adventure tourism have to be carefully reported, so that positive imagery is not dented by the global media coverage of accidents, injuries, and fatalities.

Despite a high level of adventure tourism related incidents exposed by research, the fear of not compromising safety standards contributes to operators not disclosing such incidents, thereby keeping them away from government radar and the eyes of funding bodies (Bentley, 2008). Bentley (2008) further stated that, there is a lack of surveillance system or national tourism injury related database in New Zealand. Some arguments have been raise to favour this trend; that it will not be good for the national image, if a vivid picture was to be painted on all the injuries and numerous incidents recorded within the adventure tourism sector, considering that such negative information can destroy the entire industry. The impact that these has generated takes the form of uncertainties as to the scale of injuries within the sector and the extent of risk associated to clients. That notwithstanding, communicating any destination’s risk management strategies is important in safeguarding visitor appeal (Dwyer, Edwards, Mistilis, Roman& Scott, 2009).Morgan & Fluker (2003) assert the view that physical risks in any particular adventure tourism activity should be clearly communicated to clients before its commencement.

Buckley (2010, pg.228) observed that, within the adventure tourism sector, advertising messages always include more ‘firsts, uncertainties, exploration, and
expedition’. The use of such communication destined to clients has contributed to swelling the overall number of those taking part in adventure tourism activities with the trend projected into the future for now. The contents of such messages are to lure visitors to take part in those particular activities. New Zealand is also marketed as being ‘clean, green and safe’, although that has not prevented the country from registering its own incidents involving visitors (Bentley, Page & Edwards, 2008). The messages associated with adventure tourism destinations have a major impact on those visiting such places. Callander and Page (2003), explained the declined in numbers of Japanese visitors to New Zealand in the 90’s, to be associated with media reports about scenic flight incidents resulting to death of their compatriots.

Operators of adventure tourism involving water related activities in Queenstown in New Zealand, further revealed the negative impact that the tragic death of British backpacker Emily Jordan in 2008 had on their businesses. The media apparatus in the United Kingdom after the death of Emily appeared hostile to adventure tourism activities conducted in New Zealand.

2.2.4 Environmental issues in adventure tourism

Adventure tourism is dependent on the environment and climatic conditions, for in most cases it takes place on private land owned by farmers, or on public land managed by the New Zealand Department of Conservation (Buckley, 2006).

Most adventure tourism operators did not establish their businesses for sustainability, or to support community based initiatives, although they adhere to good environmental management practices and utilize advanced technology and training techniques. Adventure tourism activities create an impact on the environment through long-haul travel to remote destinations, pro rata use of mainstream tourism facilities, and adventure tourism activities themselves (Buckley, 2010). The impact generated by adventure tourism is vast and can depend on whether it is carried out on land, in water, or in the air or is motorized. Buckley (2010) classifies the effect of adventure tourism on the environment under the following major groups: airborne adventure tourism activities, marine and aquatic adventure tourism activities, and terrestrial adventure tourism activities.

Under airborne adventure tourism activities, Buckley (2010) cites major environmental consequences can arise from motorized airborne tours making use of helicopters, light aircraft, floatplanes or motorized micro-lights; with noise, leaks, spills at refuelling sites and atmospheric emission from burning fuel of aircraft. Buckley (2010) also explains that marine and aquatic adventure tourism
activities are broadly grouped into motorized or non-motorized, fresh water or marine, and above-water or below-water activities. While marine vessels consume fuel and produce both water and atmospheric emissions, oil spills, grounding, collisions and discharge of sewage also produce a major impact on the environment. The effect on the infrastructure, notably marinas and ramps for launching powerboats, results in erosion, instability and disturbance of sediments in water bodies which can cause the death of corals and sea grasses (Buckley, 2010).

Terrestrial adventure tourism activities as explained by Buckley (2010) range from guided group backcountry or cross country skiing trips to big groups of off-road vehicles or snow mobiles. The impact of such utilities on the environment creates erosion, and damage to the vegetation. Buckley (2006) also explains that human waste in Chile is disposed of in basecamp using deep-drop toilets; while in China, in companies such as the Earth Science Expeditions and Shangri-La River Expeditions, the approach adopted is making use of cat holes for disposing human waste. Human waste disposal methods utilized in Nepal and New Zealand by Ultimate Descents operators are using client dug pit and use of individual cat holes respectively.

In summing up the role of the environment in adventure tourism, Buckley (2006) came up with three patterns identified in the sector. The first makes allusion to the premise that the impact of adventure tourism on the environment will greatly depend on the particular activity and where it is carried out. Second, that adventure tours will only utilize ‘minimal-impact operational practices’ (Buckley, 2006.pg 468), if they have directives from the managers and owners of companies, the necessary equipment, and guides with the right skills. Finally, although guidelines on the environment can be adhered to by operators of large companies due to consideration of their products and clients, most tour operators do not respect them unless the legislation or policies revolving around their activities. For example, in order to safeguard the environment, marine boat tour operators have seen the need to form industry associations and adopt certification programmes. Here, Buckley (2010) has cited the Association of Marine Park Tour Operators, AMPTO, in Australia’s Great Barrier Reef, which was a structure put in place to represent private sector tour operators in negotiations with government management agencies.

Adventure tourism activities rely mostly on the environment and in some situations; additional values are adopted to enrich the experience of those paying for their services. Hall and Harkonen (2006) affirmed that some operators of adventure tourism showcase the rich culture of their area of operation thereby benefiting the community. As the authors explained, the manager of Kawerau Jet in Queenstown placed boards on the walls of his business premises which explain the Ngai Tahu
legends of Lake Wakatipu. Within the same context, non-Maori operators make use of Maori culture during their tours examples cited includes, ‘Kayaking Kiwi’, the Ernest Kemp Replica Steamboat and the Barbary Sailing Yacht which visit Maori rock carvings sites on Lakeside cliffs (Hall & Harkonen, 2006). Tour operators of adventure tourism who also offer mythology to make their activities more attract full to their clients, contribute in strengthening the cultural identity of the local people/Maori. In the process of narrating the myth to visitors, the historical, ancestral and spiritual bond of the community/local people are cemented to certain sites.

2.3 **Adventure tourism operators legal responsibilities**

To operate adventure tourism businesses operators have to comply with some paper work. Where permit and licences are needed, such documents are obtained before the operation becomes legal. In a situation where taxes are required, those owning the business are required to pay while carrying out company registration. Where vehicles are to be used for commercial purpose, licences are required for such an activity. Those who are involved in undertaking any of such adventure tourism activities must possess the right qualifications.

The legal framework in operation worldwide regulating adventure tourism activities involves various sources of legal responsibilities on the part of operators within the sector. The legislation imposes obligations on businesses to ascertain what constitutes risks, and then either minimize, eliminate or isolate them (Department of Labour, 2010). Perfaut, Morgan & Willks (2006) reaffirm that tourist operators have obligations arising from common law, and they attract a duty of care to undertake their activities with skill and safety in relation to their employees and customers. The researchers further explained that this duty also stems from the law of tort pertaining to reasonable care to be taken. Meanwhile Page, Bentley & Walker (2005) argue that more importance is attached to regulatory and operational procedure in the European Union countries (especially the United Kingdom) due to the high numbers of law suits as a result of events which ended in tragedy.

Operators in the adventure tourism sector also have a duty in contract in relation to what they are promising to their clients. Various Fair Trading Acts prohibit operators from misrepresentation and deception while carrying out their activities. Adventure tourism operators also have to guard against prescribed Occupational Health and Safety Acts where applicable. Health and safety laws also include codes of practice and regulation guiding the adventure tourism sector (Perfaut, Morgan & Willks, 2006). Furthermore, commercial adventure tourism operators depend heavily on
disclaimers and waivers, but they are required to also have insurance especially in instances where such disclaimers are not effective (Buckley, 2010). Clients are required to sign such documents, acknowledging the fact that they accept any unfavourable outcome while participating in adventure tourism activities.

Finally, legislation also constitutes another body of laws that operators within the adventure tourism sector must observe. In situations where consent, certification, licenses or registration formalities exist, such processes must be respected by all those in the industry with operators of the adventure tourism sector still open to responsibilities from contractors, occupiers, carriers, service provider owners and employers. The International Organisation for Standardisation (ISO) is involved in establishing international standards in adventure tourism which would provide a common basis for safety management within the sector (Department of Labour, 2010).

Buckley (2006) examines behavioural norms of managers and tour guide operators through their levels of compliance with laws and code of conduct. He goes further to state that, while some countries have enforceable regulations to safely guide commercial whale watching, others prefer codes of conduct which are almost alike but difficult to enforce.

Previous studies on regulatory failures cited by Yapp & Fairman (2006) had stated that, to comply with regulations, small and medium size enterprises were required to know and understand the rules; be willing to comply with them; and be able to comply with the roles. In addition to these, Yapp & Fairman (2006) mentioned 4 factors constituting the major causes of failure of regulatory compliance within the small and medium size enterprises:

- Lack of management
- Lack of a proper system
- Lack of trust
- Lack of knowledge.

Yapp & Fairman (2006) identifies the lack of a proper management system as a major impediment to SMEs in relation to regulatory compliance. Within the same context, SMEs depend on external bodies to guide them about the legislations affecting their businesses and interpret it to suit the particular situation. Some of the adventure tourism businesses operating in Queenstown revolve around the owner and his family. Such structures depend entirely on the government or other agencies to furnish them with the relevant information on compliance regulations.
Government sponsored programmes and workshops constitute a major forum for such operators to keep themselves abreast with legislations affecting their activities. Failure to organize or invite the operators of SMEs from the adventure tourism sector in forums where regulatory legislations are discussed will result to their non-compliance. The performance of the business is structured in line with the availability or absence of visitors making it difficult for proper long run strategies to be implemented. Due to their size, it becomes difficult to establish a formalised body or management structures. Management within such context, focus on the operational and day to day activities without any realistic long term consideration.

In a slightly different context, lack of trust affects the operation of SMEs. The broad range of regulations governing various activities conducted by SMEs may result to their poor levels of compliance. The stipulation of legal requirements is not enough since operators of SMEs still have to deal with the principles on which such requirements are based. Yapp and Fairman (2006) cited the impact of some legal requirements on food safety in relation to the level of compliance. It was concluded that SMEs in the food sector in the UK lacked trust in Environmental Health Practitioners (EHP) interpretation of legislations. Such mistrust might propel other behavioural adjustment within the SMEs resulting in non-compliance.

Finally, lack of knowledge is another impediment resulting to non-compliance by SMEs. Research undertaken by Yapp and Fairman (2006) revealed the fact that operator of SMEs displayed a lack of knowledge as concerns compliance with regulations. It was disclosed that, the limited knowledge possess by staff within SMEs also prevented compliance due to the inability to apply laid down regulations.

2.3.1 Specific observations on adventure tourism in New Zealand

New Zealand is known for its innovation in adventure tourism. Commercial jet boating, bungy jumping, and plastic sphere riding originated or were significantly developed here (Department of Labour, 2010). Despite the fact that the sector is quite young and undergoing changes in its business structures, remarkable growth has occurred; and this has been reflected in a massive increase in numbers of tourists. Callander & Page (2003) cite some of the popular activities that are available within the adventure tourism sector in New Zealand; such as scenic flights, jet boating, white waterrafting, mountain recreation, and bungy jumping.

The government of New Zealand has set forward two consistent priorities during the millennium to steer the tourism industry: economic transformation and development, and sustainable development (Collier, 2011). Economic considerations
would not remain the sole driving force behind tourism, but cultural, social and environmental factors were also to play a major role in shaping a comprehensive tourism plan for the country. Sustainable tourism was considered the most appropriate for New Zealand due to the maximum values it provided with few unwanted effects (Tourism New Zealand, 2007).

Lovelock (2011) identifies two major domains concerning the governance of tourism in New Zealand: specific sectoral concerns and resource management. With the former, there is no legislative requirement for creating tourism strategies in New Zealand at either a local or a national level. The New Zealand Tourism Board Act of 1991 produced the New Zealand Tourism Board whose responsibility is to market New Zealand as a visitor destination. The Resource Management Act of 1991 (RMA) serves as the principal legislation for sustainable management, while the Territorial Local Authorities (TLAs) are responsible for planning at local level.

The role played by the adventure and outdoor sectors is very important to New Zealand and the reputation of the country (Department of Labour, 2010). As far back as December 2000, the Ministerial Panel on Business Compliance Cost established in New Zealand had as its major role the task of advising the government on ways to reduce the unnecessary or over burdensome compliance cost affecting businesses from the actions of central and government regulations (Ministry of Economic Development, 2006).

Adventure tourism in New Zealand is operated based on a system of accreditation, which is different from the statutory approach adopted in countries such as France, Switzerland, Chile, India, Australia and the United Kingdom (Department of Labour, 2010). The operating system in New Zealand has a self-managing code of practice to guide activities within the adventure tourism industry (Callander & Page, 2003). Despite the fact that the approach used in New Zealand is highly rated, some activities (notably mountain biking and horse riding) are not covered by a code of practice, and this has led to a large number of injuries recorded (Bentley, Page & Macky, 2007). No matter how plausible the accreditation scheme might look, Genter, Beckwith & Annandale (2007) affirm that an accreditation system/scheme also imposes its own compliance cost, which involves application and renewal fees, consultant fees, opportunity cost and the cost of meeting the standards.
The major adventure tourism destinations in New Zealand are centred on: Mt Ruapehu, Northland, Coromandel, Auckland, Hamilton, Tauranga, Rotorua, Gisborne, Taupo, Hawkes Bay, Wanganui, Kaikoura, Christchurch, Akaroa, Lake Tekapo, Mt Cook, Dunedin, Catlins, Fiordland, Queenstown, Wanaka, Nelson & Marlborough and New Plymouth. But Ateljevic (2007) identified three major tourist regions within the country, grouped around the central, northern and southern parts of New Zealand. The central region consists of Wairarapa, Wellington, Nelson and Marlborough, while Auckland, Rotorua and Waitomo make up the northern region.

Woodside (2007) provides a summary of the diversity offered within the adventure tourism industry in New Zealand. Fiordland is associated with mountainous rainforest and a topography befitting those who enjoy trekking; Taupo has a combination of natural parks, beaches and revealing mountains; while Rotorua is deeply rooted in rich cultural experience in the likes of museums, heritage, hot springs, Maori material culture and marae visits.
Adventure tourism activities are dominant in the southern region with Queenstown arguably the most important tourism destination and marketed as the ‘adventure capital of the World’ (Cater, 2006, P.319). The world recorded its first permanent bungy jump from the Kawarau Bridge in 1988, pushing New Zealand to the forefront of the global map of adventure tourism destinations, and about 1.9 million people visit Queenstown every year to be part of the experience for excitement and thrill. This creates quite a challenge for those managing the respective activities in the city (Queenstown Tourism, 2012), and Lovelock (2011, p.24) explains that ‘due to the importance of tourism in Queenstown, practically any public policy is tourism – related policy’. Bungy jumping used to be performed from helicopters before it was banned by the Civil Aviation Authority in New Zealand. While Auckland’s Sky Tower is considered the second highest supervised leap in the world after that in South Africa (Collier, 2006).

Queenstown’s combination of water masses, islands and mountains greatly influence the weather and climatic conditions, and the destination has the right natural environment, with a forested valley close to the shores of Lake Wakatipu with a range of spectacular peaks that surround it. Winter activities in Queenstown are downhill skiing, snowboarding, and heliski operations, while summer is characterized by activities such as white-water rafting, jet boating, bungy jumping and scenic helicopter flights. Hang-gliding, river sledging and tandem sky diving are also prominent.

Despite measures put into place to ensure safety in adventure tourism activities in New Zealand, and Queenstown in particular, Cater (2006) affirms that accidents still occur within the sector. According to Cater (2006), ‘the highest concentration of these was a spate of white-water rafting deaths in the mid-1990s’. He highlighted the major economic impact of those fatalities on the rafting market within New Zealand, citing ‘a drop in tourism expenditure in Queenstown from NZ$5million to NZ$2million (Cater, 2006; Page 320). Meanwhile, Smerek (2010) observes that the highest number of adventure tourism injuries occur in activities that are unguided and independent, such as tramping and snowboarding. He states that these unguided activities are difficult to control due to the fact that tourists undertaking such activities are not monitored.
Table 1: Adventure Tourism activities in New Zealand (extracted from the Travel & Tourism Analyst Report (2008))

<table>
<thead>
<tr>
<th>Adventure tourism activities</th>
<th>Overall participation percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bush walk</td>
<td>13%</td>
</tr>
<tr>
<td>Jet Boating</td>
<td>9%</td>
</tr>
<tr>
<td>Glacier walk</td>
<td>9%</td>
</tr>
<tr>
<td>Trekking</td>
<td>9%</td>
</tr>
<tr>
<td>Dolphin watching and swimming</td>
<td>5%</td>
</tr>
<tr>
<td>Bungy Jumping</td>
<td>5%</td>
</tr>
<tr>
<td>Luge</td>
<td>4%</td>
</tr>
<tr>
<td>White water rafting</td>
<td>3%</td>
</tr>
<tr>
<td>Sea Kayaking</td>
<td>3%</td>
</tr>
<tr>
<td>Sailing</td>
<td>2%</td>
</tr>
<tr>
<td>Caving</td>
<td>2%</td>
</tr>
<tr>
<td>Cycling</td>
<td>2%</td>
</tr>
<tr>
<td>Horse riding</td>
<td>2%</td>
</tr>
<tr>
<td>Mountain climbing</td>
<td>2%</td>
</tr>
<tr>
<td>Snowboarding</td>
<td>1%</td>
</tr>
<tr>
<td>Canoeing</td>
<td>1%</td>
</tr>
<tr>
<td>Surfing</td>
<td>1%</td>
</tr>
<tr>
<td>Mountain biking</td>
<td>1%</td>
</tr>
<tr>
<td>River Kayaking</td>
<td>1%</td>
</tr>
<tr>
<td>Paragliding</td>
<td>1%</td>
</tr>
<tr>
<td>Diving</td>
<td>1%</td>
</tr>
</tbody>
</table>

However, Callander & Page (2003) go further to state that the adventure tourism sector in New Zealand is to undergo a review by the Tourism Industry Association and Qualmark to come up with tourism industry standards based on seven components:

- Compliance with regulatory requirements including health and safety
- Service delivery
- Staff training
- Quality facilities
- Environmental management
- Cultural management
Qualmark has a major role to play within the adventure tourism sector in New Zealand. It is the official quality assurance body and is jointly owned by Tourism New Zealand, government organisations and the New Zealand Automobile Association. It was established in 1993 and operates as a service to the tourism industry, providing assistance to tourism businesses to ensure standards whilst guiding international and domestic visitors in selecting where to stay, what to do, and how to move around (SupportAdventure.co.nz, 2012).

The adventure tourism industry in New Zealand is characterized by several entities developing their own standards in relation to the basic standards introduced by Qualmark (Callander & Page, 2003). Notable among them are activities such as rafting and jet boating, which are protected by the provisions of Rule 80 and 81 of the Maritime Transport Act of 1994. Part 80, section 1 provides requirements for safety and a code of practice for commercial jet boats that operate in rivers. Meanwhile, part 81 deals with commercial rafting operations, raft guide vocational training, and hiring of rafts to the public without an accompanying guide (Maritime New Zealand, 2012).

### 2.3.2 Effect of the Health and Safety in Employment Regulation 2011

Before the coming into force of the regulation, auditing schemes within the adventure and outdoor commercial sector were handled by Qualmark, OutdoorsMark, the Register of Outdoor Safety Auditor (ROSA), Bureau Veritas and ACC schemes (Department of Labour, 2010). But from November 1st 2011, a new regulation was introduced to guide commercial operators not controlled by the Civil Aviation Authority or Maritime New Zealand. The new adventure tourism review is now enshrined in the Health and Safety in Employment Regulation of 2011.

The Health and Safety in Employment Regulation of 2011 envisaged putting into place a framework where safety is properly managed in outdoor commercial activities, so as to limit or avoid incidents and accidents. Section one (1) of the regulation identifies adventure tourism activities which are land and water based; and that involve guided participants being taught or assisted. The main purpose of this is to validate the recreational or educational experience of the participant.

The Health and Safety in Employment Act (HSE Act) requires operators involved in the above mentioned section to undergo a safety audit and to be registered. A three year transition period was established for the targeted 1500 operators within this
sector to be audited and registered; and adventure tourism operators, after receiving a request from the Department of Labour, will have nine months to be audited by accredited safety auditors. From November 1, 2014, the new legislature makes it an offence for adventure tourism operators to indulge in their activities without a safety audit certificate, and the Department of Labour has the responsibility of prioritizing activities based on risk.

The cost of registration was to be included on the audit fee, which ranges between $1300 and $2500 based on the particular adventure tourism activities undertaken. Adventure tourism operators will be allowed to choose their own audit providers from the list of auditors to be provided by the Department of Labour (DOL).

2.3.3 Reviewing the Accident Compensation Corporation

The Accident Rehabilitation and Compensation Insurance (popularly referred to as ACC) was formed in 1972 and later modified in 1982 and 1992, and is the only system in the world that provides universal 24 hours coverage for all accidental physical injuries suffered in New Zealand (Accident Compensation Corporation, 2012). ACC constitutes a no-fault scheme providing income benefits for recipients, and includes the provision of a variety of benefits, treatments and rehabilitation services managed by the New Zealand government corporation (Accident Compensation Corporation, 2012).

The scheme is affiliated to the Accident Compensation Act 2001 and embraces the following categories; work, non-earners, earners, treatment of injury, motor vehicle and residual pre 1999 claims (Accident Compensation Corporation, 2012). Injury represents somewhere between 5% and 10% of the total disease burden of New Zealand and 1.6 million injury claims were filed with the ACC in 2006/07, mostly for the reimbursement of treatment cost only (Accident Compensation Corporation, 2008).

The ACC Act of 1992 was later revised in 1998 to provide a tighter definition of the nature of claims and extent of accident cover, due to escalating costs for the government agency administrating the ACC (Callander & Page, 2003). The changes introduced by reviewing the ACC Act not only reduced the amount of compensation but further narrowed the definitions of what the Act covers. This has resulted in injured parties suing for damages due to breach of contract, negligence or other statutory duties.
To benefit from the scheme a claimant must consult a doctor and complete the required claim form. The cover provided for overseas visitors includes the cost of medical treatment, hospital treatment, transport expenses and some rehabilitation cost. Due to the diversity of the adventure tourism sector, various government agencies regulate and investigate accidents. The Maritime Safety Authority deals with water related activities, Land Transport Safety Authority handles land based activities, while the Civil Aviation Authority is responsible for air related activities. This group of bodies monitor activities within the adventure tourism sector, and it is this multiplicity that Callander & Page (2003) believe makes regulation and planning very difficult.

2.4 Analysis of the adventure tourism environment

Adventure tourism in New Zealand has its own complexities, and only a detailed study of the operating environment within which activities are conducted will lead to a better understanding of the sector. For a proper analysis of the adventure tourism operating environment, the C-PEST tool will be utilized to generate a closer examination of the competitive, political, economic, socio-cultural and technological background under which adventure tourism is conducted in New Zealand.

As such, a competitive analysis will be used to reveal the opportunities and threats that exist within the adventure tourism sector in New Zealand. A review of the political environment will focus on the efforts of the New Zealand government to address issues pertaining to adventure tourism; a section on the economic environment that prevails in the adventure tourism industry shows how compliance affects different entities in different ways; and the section on the socio-cultural environment will examine the size of the population, intercultural differences, and other factors affecting the adventure tourism industry in New Zealand.

2.4.1 Competitive environment

The adventure tourism sector in New Zealand has no restrictions for the entry of new operators to the market, and research by Ateljevic (2009) contrasts the services delivered by entrepreneurs from overseas with those of local small business owners, analysing their respective contributions to the quality of tourism products and services in the Wairarapa. This research reveals that overseas entrepreneurs bring cost benefits, international connections, and help raise the level of business professionalism in the industry, all of which helps create a more innovative business model. At the same time, local small business owners and managers were inclined to overvalue their knowledge in relation to the local environment, and minimize major
market trends and consumer behaviours, resulting in less than ideal standards of professional practice.

A pronounced variation in seasonal demand plays a critical role within the tourism industry in New Zealand, and staffing arrangements adopt a flexible approach in order to suit this fluctuation in demand (Ateljevic, 2007). Small tourism firms make use of temporary workers during high peak periods, but rely on the multitasking abilities of their permanent staff when the demand for their services drops. In Ateljevic’s (2007) study, a number of small tourism firms make provision for training, with a learning approach adapted to suit survival. In these small firms, the division of labour (role and responsibilities) is not as clearly defined as in their larger counterparts, and job requirements are not tied to particular positions, making multitasking and different duties the norm for employees.

Lovelock (2011) concludes that poor resourcing, uncertainty over staffing and support, and personality conflicts seriously constrain the implementation of worthwhile policies within the adventure tourism sector in New Zealand. A good number of small businesses within the adventure tourism sector lack the internal capability or capacity to train staff, although a number of organisations exist in New Zealand to provide expertise in outdoor industry standards: New Zealand Mountain Safety Council, Water Safety New Zealand, Outdoor New Zealand, New Zealand Outdoor Instructors Association (NZOIA), Aviation Tourism and Travel Training Organisation, Register of Outdoor Safety Auditor (ROSA), New Zealand Outdoor Safety Registration Board (NZORB), New Zealand Four Wheel Drive Association (NZFWDA), Sport and Recreation Industry Training Organisation (SFRITO, now known as Skill Active), Workplace Safety Management Practices Programme (WSMP) and Sport and Recreation New Zealand (SPARC). Adventure tourism in New Zealand is well represented by the above listed industry associations, and such organizations assist their respective sector operators and other stakeholders to discuss issues that affect their operation (Hersey, 2010).

As one of the most important destinations in New Zealand, Queenstown suffers from ‘growth management’ issues, and its current size and capacity to deal with its numbers of visitors can be stretched. Some of the issues facing the town are: traffic congestion, urban sprawl, waste management and a hike in living costs, a situation that affects locals more acutely than visitors (Lovelock, 2011). Despite the facilities in place to cater for tourist needs, the large number of tourists that visit each year 1.9million (Queenstown Tourism, 2012) puts much pressure on the available resources.
In addition, the unpredictable nature of the weather in Queenstown has at times led to increases in the volume of water in Lake Wakatipu, resulting in flood damage to buildings and tourist-oriented services. The effect on restaurants, hotels and nearby shops results in a high economic cost. That notwithstanding, tourist destinations in New Zealand have the necessary infrastructures in place to enable the huge number of visitors savour the beauty that the country has to offer, in spite of the enormous pressure that this tourist trade exerts on these places.

### 2.4.2 Political environment

The tourism sector plays an important role in the New Zealand economy, and policies of the government have always been centred on strategies to maximise benefits derived from the sector. The launching by the then Prime Minister, Rt. Hon Helen Clark, of New Zealand’s Tourism Strategy 2015 was geared to ensure that tourism became a leading contributor towards sustainability of the New Zealand economy, and political stability in New Zealand enabled a smooth transition from Labour to National after the victory recorded in the polls in 2008.

These policies have continued under the National government, with tourism still remaining the second largest export earner in the New Zealand economy, and the introduction of the SmartGate initiative with Australia made traveling between the two countries more convenient and faster. On the other hand, the imposition by Australia of a hike in departure tax which will be operational from July 1st, 2012 will have an impact on the numbers of tourists heading towards New Zealand from that country. Overall though, the New Zealand National Party government approach relies on supporting and promoting regional and Maori tourism, with a focus on encouraging cooperation between the Regional Tourism Organization (RTOs) and other stakeholders such as the private sector and Tourism New Zealand.

Laws and regulations that exist in New Zealand have been instrumental in propelling the adventure tourism sector to greater heights. The Accident Compensation Corporation (ACC), the Resource Management Act, the code of practice for most of the activities conducted, and the recently introduced Health and Safety in Employment Regulation of 2011 provide a perfect environment for tourism activities to flourish. That notwithstanding, the situation in New Zealand reflects a wide variety of standards, qualifications, and organisational responsibility, depicting a situation of risk in safety within the adventure tourism sector, and a weak degree of coordination and consistency (Department of Labour, 2010).
The compliance issue within the adventure tourism sector is further encumbered by the jurisdictional split across diverse agencies, notably the Department of Labour, Maritime New Zealand, Ministry of Transport and the Civil Aviation Authority. Even while handling claims under the Accident Compensation Corporation, the Maritime Safety Authority deals with water related activities, and Land Transport Safety Authority look after land based activities while Civil Aviation Authority covers air related activities. Such atomised devolution makes regulation and planning so difficult (Callander & Page, 2003), and this is further complicated by the diverse approaches enforced by the various agencies, creating situations where safety standards are compromised.

This has resulted in a situation where safety management is not coherent, and different standards apply for different activities. In some cases activities are not covered at all (Department of Labour, 2010). A report produced by the Department of Labour (Department of Labour, 2010) also revealed that operators within the adventure tourism sector do not understand all of their obligations under the Health and Safety in Employment Act of 1992. There are standard operating procedures and systems in place with a total of six areas that are covered: hazards, clients, staff, emergencies, equipment and incidents. Operators within the sector have to adhere to the procedure and systems in place.

In New Zealand, the task of managing the environment falls collectively on the Department of Conservation, Ministry of the Environment, Ministry of Agriculture and Forestry and, to an extent, the Parliamentary Commissioner for the Environment. Those bodies are responsible for conservation of natural areas and the promotion of biodiversity, and environmental effects triggered by the impact of tourism have been widely reported by those respective bodies. In this context, government systems in place in New Zealand for managing tourism and the environment are fragmented (Lovelock, 2011).

Research by Connell, Page & Bentley (2009) observed that, by world standards, New Zealand is relatively clean and green; but the occurrence of environmental problems has damaged New Zealand’s environmental image over the past decade. Within the same context, the Ministry for the Environment’s (MfE) State of the Environment Report 2007, “identifies the development of serious pressure including population, land and marine use intensification, air pollution, increasing household consumption, transport and traffic, energy use, waste, toxicity and primary production” (Connell et.al., 2009, p.869).
The environmental management situation in New Zealand, as Lovelock (2011, p.20) further argues, is not immune to criticism. Even the notion of a ‘100% Pure’ tourism brand is now seriously put into question. Although New Zealand forests and coastal waters, which register a high proportion of adventure tourism activities, appear safe, Callander & Page (2003) affirmed the presence of protozoa Giardia within recreational environments such as Fiordland. This gastroenteritis – causing micro-organism severely dampens the image of water based tourist activities.

In addition, a good number of popular swimming spots in New Zealand contain a high level of bacteria which can cause diarrhoea or other infection. From a total of 206 rivers, lakes, lagoons and estuaries in which tests were conducted, it was discovered that only approximately 57 per cent of them were considered fit for swimming (The New Zealand Herald, 2010). The Northland region hosted a total of 10 out of the 23 spots that were considered to be polluted and unfit for swimming. Popular swimming destination like the Piha lagoon had a high level of E coli associated with faecal or human bacteria. While intensive farming activities shoulders part of the blame for the poor water quality, strong rules and water quality standards have to be implemented if the 100 per cent pure image of New Zealand is to be upheld.

Other environmental problems plaguing New Zealand takes the form of air quality, biodiversity, urbanisation and the utilization of energy resources. The quality of air in New Zealand is good due to its low population density, proximity to the sea, remoteness from other continents and other pollution sources (The Ministry of Environment, 2012). But as urbanization and standard of living increased in New Zealand, it exerts an adverse effect on the air quality.

Lovelock, in a slightly different context (2011, p. 24) goes further to say that within the tourism industry in New Zealand, ‘there still appears to be a substantial implementation gap between the sustainability rhetoric within the national and local tourism strategies and reality at the local level’. Among the issues which he cited is the problem of ‘implementation gap’ which constitutes a governance concern impaired by legislative complexities - Smerek (2010) provides a summary by arguing that, despite the fact that it would be ideal for adventure tourism within Queenstown to be ecologically sound, it becomes difficult to enforce this view on businesses bent on making money.

The scare posed by global terrorism remains a cause for concern to policy makers. The tactics of terrorists to always attack soft targets might create future problems
for New Zealand, considering its political closeness to the North Atlantic Treaty Organization (NATO) countries and the ‘war on terror’ alliance. The subsequent fortification of defence mechanisms in Western countries might cause a shift in the strategies of terror cells, to focus on far off destinations like New Zealand. The relatively relaxed environment that exists in New Zealand, coupled with the free interaction of people from diverse backgrounds and nationalities, might serve as a perfect target for terrorist activities. The occurrence of any such attack would be disastrous for the tourism industry.

### 2.4.3 Economic environment

The adventure tourism sector in New Zealand prefers a more formalised approach to management, closely linked to the owner/manager profile yet lack of finance, knowledge, skill and external assistance cannot be ignored (Ateljevic, 2007). Within the same context, Ateljevic further explained that there is a lack of uniformity in marketing within the sectors and regions in New Zealand. Business operators in Marlborough and Nelson prefer a more formal approach to planning, while those from Wairarapa and Wellington opt for less formalized business activities.

In fact, some operators within the adventure tourism sector do not appear to have any form of effective management system in place. In some cases this is due to the fact that a business is small and wholly family operated, or because local and part time staff make up the majority of a business’s staff. Managerial expertise is difficult to find, despite the fact that the tourism industry in New Zealand has been affected by some major events:

- The earthquake in Christchurch which destroyed part of the city’s infrastructures, thereby affecting tourism with policy decisions taken to offset its impact.
- The tsunami in Japan greatly affected the number of tourists visiting New Zealand from that country.
- The effect of volcanic ash clouds affected most airlines flights and disrupted air traveling across the world.
- The impact of the global recession which still affects the world economies, coupled with massive employee numbers laid off in some sectors.

Ateljevic (2006) provides a summary by stating that the majority of businesses within the tourism sector are reasonably informal, and marketing planning focus is usually short term, based upon forecasts of one to two years ahead. Due to their micro size, it is difficult for SMEs to sustain formal organization and management functions, as
day to day operations and control rest with one or two persons. From a safety management perspective, Bentley (2008) discloses that the New Zealand tourism industry is plagued by cultural and language barriers when it comes to client’s safety, especially with Asia being a large source of tourists.

Thus, in spite of Queenstown’s significance as a tourist destination, the city and its tourist industry does not have a tourism strategy but depend instead on other entities to act as proxy to enhance planning for sustainability (Lovelock, 2011).

2.4.4 Socio-cultural environment

New Zealand is rich in diverse cultural attractions, including Maori tradition, arts and crafts, and the culture of other settlers groups such as Europeans, Pacific Islanders and Asians (Oceania, 2005). The country is becoming an urban multicultural society rather than a bicultural one. A further boost to the cultural landscape in New Zealand was the launching of the ‘Maori made’ mark in February 2002, to provide quality and authenticity, thereby enabling tourists and other consumers to identify products that are from the Maori communities (Collier, 2006).

The need for cultural management will focus on heritage and other attractions, including archaeological sites, display performances and museums. Whilst some of the attraction sites are located within close proximity to urban areas, many are dotted throughout rural areas. The pattern of visits to cultural attraction sites creates a pressure which needs to be managed, based on the experience of the visitors and the capacity of the system to support such pressure (Sigala & Leslie, 2005).

Sigala and Leslie (2005) provide some tools and policies that can be used for cultural management, thereby reducing the effect of pressure exerted by visitors, and in the process still conserve the cultural heritage and resources. These might be through regulatory provision dealing with land use planning, imposing restrictions to certain activities, and zoning restrictions to exercise control on the level of development. Further economic policies can take the form of pricing and fees, taxation, charges and incentives; while organizational aspects for managing cultural activities will focus on reservation systems, education and sensitisation, and the provision of information and marketing initiatives.

24.5 Technological environment
The Worldwide Web is transforming the mode of conducting most businesses, and is becoming a major tool for small business operators to secure competitive advantage in the global market. However, though businesses in New Zealand make use of e-commerce in managing their operations, the adoption of E-business in New Zealand has not been fast compared to the situation in countries such as the US, UK and Australia (Ramsey & McCole, 2005).

Al-Qirim (2007) investigated the utilization of internet technology to support business activities in New Zealand. His findings reveal that New Zealand small business operators hesitate to adopt e-commerce technology, such as internet mail, external mail, intranet, extranet, internet- Electronic Data Interchange (EDI) and websites. Earlier reviews have revealed that small businesses set up websites solely to advertise and promote their business, rather than to engage in electronic commerce. In fact, the adoption or non-adoption by SMEs in New Zealand of new technology will depend on five factors (Ramsey & McCole, 2005).

- The negative mind-set associated with the regulatory environment or technology
- The type of service involved
- Human resource perspective
- Market orientation
- The macro- environment

In their research, Ramsey and McCole (2005) found that, despite the fact that businesses may be connected to the internet using the modem for communication, they have not taken advantage of opportunity for internet generated commerce. Despite New Zealand Trade and Enterprise providing support for SMEs willing to benefit from e-commerce, and despite a rise in the number of SMEs owners having websites since the year 2000, this has not been reflected in the growth of online business activities.

2.5 Summary

Bentley, Page & Edwards (2008) advanced the argument that, despite the fact that the New Zealand adventure tourism industry was well marketed (for example as clean and green) and its safe image projected, serious incidents still occur involving international visitors. Mountain recreation, scenic flights and white water rafting have resulted in fatal injuries to overseas and domestic visitors.
In addition, Bentley et al. (2008) identified some major problems plaguing the adventure tourism sector in New Zealand, notably in the areas of risks linked to activities, risks that concern clients, and risks to both environment and organisation. Furthermore, Cater (2006, p.320) raised the issue of ‘lack of any coherent central framework for reporting and prevention’ within the adventure tourism sector in New Zealand. The fragmented and scattered nature of data collection within the adventure tourism sector makes assessment and comparison with other touristic activities quite difficult. On the other hand, Ateljevic (2007) closely examined small tourism firms and their management practices in New Zealand. Notable among the weaknesses cited by his studies were those relating to management practice and associated barriers, business planning, marketing, barriers to market exposure and employment issues.

To support a proper examination of the problems plaguing the adventure tourism industry in New Zealand, the seven standards outlined by Callander & Page (2003) will be utilized. The adventure tourism sector is currently undergoing review by the Tourism Industry Association and Qualmark, based on those seven standards as cited by Callander and Page (2003):

1. health and safety
2. service delivery
3. staff training
4. quality facilities
5. environmental management
6. cultural management
7. business skills and practices.

2.6 Implications

The selection of Queenstown as the ideal location for this research is tied to the large number of operators within the adventure tourism sector found within the region. The absence of a tourism strategy in Queenstown (Lovelock, 2010) obviously impacts activities within the adventure tourism sector, and further research reveals that the popular accreditation scheme in Queenstown- New Zealand’s own Qualmark - isn’t adhered to by some of the adventure tourism operators. In fact, a good number of them are not registered and recognized (Smerek, 2010).

For such an accreditation scheme to succeed, it must be dependable and recognizable (Smerek, 2010) within the adventure tourism sector, to prevent operators from making use of other accreditation schemes that are unreliable
ordifficult to recognize. Any non-statutory accreditation scheme is characterized by diverse approaches adopted, inefficiencies and lack of cohesion, necessitating the need for a best practiceto regulate compliance, arresting shortcomings in safety and sustainability within the sector.

Moreover, new adventure activity regulations came into force on November 1st 2011, clarifying the types of activities to be covered by compliance requirements. The regulations require operators within the sector to undergo a safety audit and be registered, though a transition period of three years was established for the targeted 1500 operators within the sector to be audited and registered. Furthermore, adventure tourism operators, after receiving a request from the Department of Labour, will have nine months to be audited by accredited safety audits.

Despite how laudable this regulation may appear, there still remain some concerns over particular issues around how enforcement of the regulations will be done, and the nature and costs associated with auditing. Ultimately, if there is poor coordination and inconsistency in the adventure tourism sector, resulting from a wide variety of standards, qualifications and enforcing agencies (Department of Labour, 2010), then there is a case to be made for the creation and enforcement of a structure to reduce the burden of regulatory compliance. In the end, such a structure can only help improve the uptake of compliance standards across operators, helping to improve the adventure tourism industry of New Zealand as a whole.

The research objectives established for this project are based on the aforementioned state of affairs within the adventure tourism sector in New Zealand, and the focus of the study is to identify which regulatory practices impose the greatest burden on small and medium size enterprises within the adventure tourism sector. This focus translates into a series of research questions which guide the entire study:

- What do adventure tourism operators consider as their obligations when conducting adventure tourism activities?
- What are the possible areas within the adventure tourism sector where the regulatory instrument should not be encouraged?
- To what extent do operators within the adventure tourism industry indulge in adventure activities without an adequate risk management plan?
- To what extent do adventure tourism operators report injury related incidents?
- What are the major obstacles faced by operators when managing the regulatory compliance burden within the adventure tourism sector in New Zealand?
Would the obligations of adventure tourism operators change after the 1st October 2011 legislation is introduced within their sector?

What constitutes a best practice to manage regulatory compliance burden within the adventure tourism sector in New Zealand?

The research review in this chapter has presented a broad scope commentary on adventure tourism in international and local markets. The literature review on the prevailing situation in New Zealand adventure tourism industry added to an understanding of the gaps which were then used to justify the research questions. Since the research methodology is of primary interest to the research, it will be the subject of the next chapter.
3 CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter will focus on research methodology. The qualitative approach which has been adopted for this research is the subject of discussion in the first section. Section two will explain the data collection procedure, while data analysis will be discussed in section three. The final part of this chapter will draw conclusions on the limitations of, and ethical issues related to, the research.

3.2 Qualitative approach

The approach adopted in this thesis is qualitative research. It is predominantly desk based, including an extensive literature review and critical evaluation to determine the regulated compliance burden within the adventure tourism sector in New Zealand.

Qualitative research makes use of a broad range of interconnected interpretive methods (Denzin & Lincoln, 2008) and blends well with this particular research, given that the subject of this thesis is a phenomenon to which not much research has been devoted. What participants have to say about the topic is very important, subjective and interpretive, and responses will be considered without labelling any as right or wrong.

A face to face approach was adopted due to the researcher’s wish to interact with targeted respondents and engage in deep discussion on specific themes. This approach was favoured due to the need to generate an in-depth understanding of the topic, considering that much discussion is needed to uncover the reasons as if and why compliance constitutes a problem within the adventure tourism sector. It is only through direct contact with stakeholders that a better understanding can be achieved about the issue of compliance within the adventure tourism sector in New Zealand.

3.3 Data Collection

A total of fifty four operators were contacted using email and phone contacts. Selection was made from operators within the adventure tourism sector based in Queenstown involved in land, water and air activities. The contact details of adventure tourism operators were got from online resources and additional
materials from publications. Ten operators from the adventure tourism sector participated in the interview from the twenty demanded by Unitec’s Ethics Committee. The shortage in number is attributed to the refusal of major adventure tourism operators to take part in the exercise.

Some operators in the adventure tourism sector based in Queenstown interpreted the research topic to suit their personal conviction. Despite the new regulation of 2011 qualifying any suspension from a height of over three metres as adventure activity, some operators of flight activities refused to consider it as such. The limited financial resources dedicated to the research acted as a constraint making it difficult for the researcher to extend the duration allocated for field work. Moreover, the conducting of the research in the month of January which constitutes a period of partial peak for adventure tourism activities made it difficult for operators to respect their schedules and take part in the research.

The interviews were conducted to ensure harmonisation of facts and to provide an opportunity for participants to furnish additional information pertaining to their areas of interest. The confidential nature of the interview ensured the names of participants and their respective companies were not disclosed and, for ease of data analysis, Qtown1, Qtown2, Qtown3, Qtown4, Qtown5, Qtown6, Qtown7, Qtown8, Qtown9, Qtown10 were substituted in the place of the names of respondents and their respective companies.

The sampling frame covered operators of activities on land, water and air, supervised by Maritime New Zealand, Civil Aviation Authority, Department of Labour and Land Transport New Zealand. The activities covered by the operators interviewed were: canyoning (1), paragliding (1), kayaking (2), rafting (2), para-sailing (1), off road adventure (1) and jet boating (2).

A total of ten questions were used in the interviews which sought to examine three major components of the studies. The first part, involving the first two questions of the interview, dealt with the business background. The second part focused on the next four questions about risk and safety management issues. The final four questions of the interview dealt with compliance, and the impact of the new adventure tourism legislation on operator of the sector.

The questions utilized during the interview constituted the following:

1. Tell me a little about yourself and how you became involved in the adventure tourism sector. What do you consider as your obligations when conducting adventure tourism activities?
2. How has the business been this year compared to the last year? Did the Rugby World Cup have any impact on your business?

3. Given that the adventure tourism sector has an element of risk; can you give me examples of the type of risk that your customers may be taking?

4. Tell me about your risk management plan.

5. In the event of a serious incident (i.e. one of your customers is having a heart attack), how would you handle or manage it?

6. What suggestions do you have to improve on risk and safety management within the adventure tourism sector?

7. To what extent do current compliance requirements pose a challenge for your business?

8. Are there any specific difficulties in meeting those requirements?

9. Do you think the way you conduct your business will change after the 1st October with the introduction of the new adventure tourism legislation?

10. What in your opinion will be considered as the best practice to manage regulatory compliance within the adventure tourism sector?

The interview was conducted in English and each interview was scheduled for one hour. Observations within the operators’ facilities were used as a method for data collection, and permission was sought and obtained for the discussions to be recorded. At the end of the interview, all the tapes were transcribed to text for further analysis.

Due to time constraints and other commitments on the part of the respondents, sometime adjustments needed to be made. Whenever there were disruptions during the interview, in the form of the operators attending to clients, the recording was paused and only resumed after such encounters. To ensure that all parts of the discussion were fully understood, further contacts were made using email and telephone calls to elaborate upon or shed light on information earlier obtained.

3.4 Interview

Qualitative research provides many alternative sources for collecting data (Denzin & Lincoln, 2008), but the nature of this research favours a face-to-face and semi-structured interview as the appropriate mode for collecting data. Personal interviews provided the researcher the opportunity to study the phenomenon and in the process not compromising bias and diverse views (Wilson, 2010). By meeting the operators of the sector personally, the researcher was able to learn much about the practices and procedure utilised by members of the industry.
Most of the interviews took place in January 2012, and considering that this month constitutes one of the busiest within the sector’s operational calendar, interviews were both timely in allowing the researcher to be present to see the sector’s activities, and also reflected a positive inclination by the sector to support research to improve it.

Interviews were conducted on a one to one basis according to a semi structured format. They took place in Queenstown between the 20th to the 25th of January 2012. Due to regulations guiding research at Unitec, an approval from Unitec’s Ethics Committees was needed before the interviews could be conducted. The letter was presented to respondents who wished to know more about the research.

The approach adopted comprised of interviews, each lasting one hour. The one hour duration was set so as not to preclude information saturation and not overly disrupt the respondent’s activities. During discussion, the researcher pushed for elaboration over points that were not clear. In some cases the interviews were suspended when activities surfaced that needed the respondent’s attention, and the interview only resumed when the respondents were not tied down with activities.

3.5 Data analysis

All the data collected were analysed in a logical pattern, to identify recurring themes or trends and select illustrative quotations (Thomas D.R & Hodges I.D, 2010). The analysis was done by establishing transcripts of interviews recorded, and took the form of creating a set of categories based on the nature of the research for easy interpretation. The different points raised were identified and highlighted by markers, and the information broken down for faster understanding. During this stage, important and relevant information was coded and unnecessary information eliminated.

Wilson (2010) proposed steps in analysing data which were utilized during the research as illustrated below:

- Reading and creating patterns, themes and categories
- Coming up with interpretations
- Putting together the findings into report format

The researcher then embarked on an interpretation of the data collected and, in situations where the respondents’ response proved inadequate, materials from books and other publication dealing with the theme were utilized. Additional reading increased the stock of material available, and provided for better understanding of
the theme of the research. The research is qualitative in nature and the behaviour and discussion of the participants was interpreted to explain certain phenomena or trends and put together in the final write-up. Harmonization and interpretation of all the information derived from the interview, and from secondary documents, enabled the research material to be transformed into a report.

3.6 Summary

This chapter advanced reasons why the qualitative approach was adopted as the preferred research method, namely that adventure tourism is a social phenomenon that has not yet been widely studied. This obliged the researcher to be extensive, present face to face, and structured when collecting data.

A cross section of land, water, and air based activities were covered during the research. For land based activities, canyoning and quad bike touring featured prominently. Water based activities involved kayaking, rafting, and jet boating, while parasailing and paragliding constituted the air based activities. Fifty four operators were contacted using email and phone contacts, but less than 10 initially agreed to take part in the studies. While out on research, 10 interviews were conducted from the 20 that were earmarked for the exercise by Unitec’s Research and Ethics Committees.

For the activities covered, canyoning is supervised by the Department of Labour, while paragliding and parasailing come under the auspices of the Civil Aviation Authority. Maritime New Zealand oversees the operation of kayaking, rafting and jet boating, while Land Transport New Zealand is in charge of off road activities.

In an attempt at ensuring that information gathered from respondents was correct, contacts were made with participants after the exercise was conducted to clarify issues that were still in question. This was done in a way designed to avoid any ethical issues, with prior permission obtained through phone and email before contacts were established. Apart from interviews, additional information was gained through the use of reports, books and other online resources as a form of data collection for the research.

Data obtained were then analysed to ensure that the research goals and objectives were attained. Although the research exercise was conducted with enough consideration to all the components identified, some challenges and shortcomings were encountered by the researcher.
One major obstacle is that the adventure tourism business in Queenstown is something of a closed shop, with major operators refusing to take part in the research. Despite reassurance by the researcher that the studies were purely academic, some operators who initially accepted to be part of the study later refused to participate. In situations where phone contacts were established, the promise of getting back and arranging a suitable meeting time fell through in a number of cases.

In addition, the contact information which operators provided on their sites were mostly for commercial and retail purposes, in other words aimed at customers interested in their services. Any inquiries about whether the company would participate in research studies may have ended up as not forwarded to those responsible.

Moreover, some operators based in Queenstown interpreted the research topic to suit their own personal convictions. Cases are common where operators argue that their activities had nothing to do with the adventure tourism sector, and therefore should not be part of the research. Not taking into cognizance the fact that the new regulation of 2011 stipulates that any suspension from a height of over three metres qualifies as adventure activity, operators of flight activities refused to consider it as such. The researcher’s explanation of adventure tourism activities being grouped under high, medium and low risk ventures fell on deaf ears.

Finally, the month of January constitutes a partial peak period for some of the operators interviewed. This made it difficult for schedules to be respected, and some of the interviews conducted within the vicinity of the operators were suspended from time to time to allow the interviewee attend to the need of clients.

The research was conducted with the codes of professional standards observed especially when dealing with participants, the wider community and colleagues. The researcher adhered to certain code of conducts or principles so as to ensure that safety, fairness and integrity. These principles as outlined by Thomas (2010) involved honesty and truthfulness, scientific standards and bias and protecting the welfare of participants involved in the research.

The research was conducted in the spirit of openness and honesty especially when reporting issues pertaining to objectives, methods and result. Wilfully misrepresentation of qualification and distortion of research procedure and findings was avoided.
The research respected all appropriate scientific standards and everything was done to keep from bias that can affect the studies through reporting of findings. In the course of the research the opinion of the researcher was as neutral as possible to ensure that the findings are not affected by his views.

Moreover, in the course of the research, the wellbeing of participants was taken into consideration so as to ensure that they are not in harm’s way and other risks are minimized. Reasonable time was allocated to participants during the interview to attend to the need of their clients without disrupting their activities. Throughout the duration of the research, the participants are protected in relation to the following: respecting their right to privacy, informing them properly about the objectives and findings of the research, protecting their personal information, and notifying them of their free will to terminate their participation in the research without pressure or coercion. Those who will be carrying out further studies relating to adventure tourism should take those issues into consideration.
4 CHAPTER FOUR: PRESENTATION OF FINDINGS

Table 2: Points of discussion

<table>
<thead>
<tr>
<th>Themes</th>
<th>Water based activities</th>
<th>Land based activities</th>
<th>Air based activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business background and operators obligations</td>
<td>Mixed reaction as to impact of RWC, activities seasonal though in some cases all year round. Customer safety was major obligation.</td>
<td>Activities are all year round, RWC slightly impacted their business and safety of customers is the major obligation.</td>
<td>Activity is also year round but relies on weather, RWC had a positive impact on business, and safety for customers has always been an obligation.</td>
</tr>
<tr>
<td>Risk and safety management issues</td>
<td>Maritme New Zealand as supervisory body. The respondents have operational plans in place against risk.</td>
<td>Department of Labour, Land Transport New Zealand act as supervisory authorities. Respondents have training systems in place against risk.</td>
<td>Civil Aviation Authority as supervisory authority. Has a plan in place to handle risk.</td>
</tr>
<tr>
<td>Compliance and impact of new legislation</td>
<td>Mixed reaction, some respondents believe the sector is over regulated. The new legislation was seen as complementing procedures already in place and adhered to by operators.</td>
<td>Mixed reaction, one respondent believes compliance is still an issue in renewing driving licence. The impact of the new legislation on activities was also diverse.</td>
<td>New legislation will have a major impact on the business since much money needed to upgrade their systems and gather information. Obtaining resource consent is a major challenge.</td>
</tr>
<tr>
<td>The best practice procedure</td>
<td>Agreed on the need for a best practice procedure to be in place.</td>
<td>Diverse reaction, one respondent content with current practice.</td>
<td>Best practice involves taking into consideration individual activities on its own merit.</td>
</tr>
</tbody>
</table>

4.1 Introduction

This chapter will provide analysis of the results obtained from the research through the ten interviews conducted with operators of the adventure tourism sector based in Queenstown. A summary of their views is provided, with points of agreement and disagreement expressed by the respondents during the interview.
4.2 Interview findings

Q1. Tell me a little about yourself and how you became involved in the adventure tourism sector. What do you consider as your obligations when conducting adventure tourism activities?

From a total of ten adventure tourism operators contacted across land, water and air activities, three were employees, two were managers, and five were owner operators. Among the five owner operators contacted, the minimum time each has been in the business is seven years. The reasons advanced by the five owner operators for their involvement in the sector include a passion for the activity, having a background linked to the business, or ending up in the business after working in other sectors.

In addition, the two managers have a minimum of six years in the business; the possibility of managing, coupled with the rewarding nature of the job, were reasons advanced by them for becoming involved in the adventure tourism sector. Finally, each of the three employees is a trained operator, one benefiting from an in-house capacity building scheme, while the other two had qualifications which enable them to be employed within the sector.

In summary, most of the respondents mentioned safety of their customers as the major obligation for their business. Some respondents further revealed that providing customers with good experiences that enable them get value for money was a primary motivator. One respondent affirmed that, apart from ensuring customer safety, the quest to make them happy and having fun during the trip constituted a major priority to his business. From his perspective, customer satisfaction creates repeat business, both from the original customer and from people who are recommended the experience by that customer.

The interview findings indicate that the pattern of management within the adventure tourism sector is tilted more towards owner mangers, with few cases where outsiders are introduced. This aligns with the fact that the approach to management within the adventure tourism sector is closely linked to the owner/manager profile (Ateljevic, 2006).

All respondents summarized their obligations as those of keeping customers safe, providing them with a good time, and ensuring that they have value for money. How
the various operators succeed in those obligations depends on their resources and the nature of their activities; but all respondents agreed on the fact that injuries or accidents reflect a bad image on their business.

Q2. How has the business been this year compared to the last year? Did the Rugby World Cup have any impact on your business?

The 2011 Rugby World Cup visitors spend $390 million, of which $280 million was estimated to be net addition to the tourism export (Ministry of Economic Development, 2012); however, the impact on adventure tourism activities in Queenstown was mixed.

Among the ten operators interviewed, six experienced some form of impact as a result of the event; two mentioned not harvesting any impact at all, while one experienced a negative impact. The mixed reaction is partially attributed to the Christchurch earthquake, which in some cases diverted the number of those who would have eventually ended up in Queenstown. That notwithstanding, those who benefited from an increase in demand for their services, as a result of the Rugby World Cup could have had a more long lasting impact if not for the earthquake that occurred in Christchurch.

From the points advanced above, it can be concluded that the Rugby World Cup made a generally positive contribution to businesses within the sector.

Q3. Given that the adventure tourism sector has an element of risk, can you give me examples of the type of risk that your customers may be taking?

All the respondents contacted acknowledged the existence of risk which their clients are exposed to while engaged in adventure tourism activities. Since the activities covered were within the auspices of diverse government agencies, the respondents identified risks which were peculiar within their respective activities, to water, land and air related activities.

For those involved in water based activities supervised by Maritime New Zealand, some of the risks mentioned included cold, drowning, injuries from back, limb and toes, the weather, mechanical failures, driver error, obstacles and other private individualssharing the water. Those involved in land based activities (canyoning and quad bike tours) supervised by the Department of Labour and Land Transport New Zealand, cited structural, mechanical and operational risk. Structural risk includes the building where the activity is carried out, which in the case of canyoning is on top of
a cliff, and ensuring that cables and ropes used are exceeding required engineering standards. Mechanical risk embraces everything that moves, or might break while in movement, which might injure either employees or clients. Operational risk is the human element involved in the particular activity, notably losing control of their bike—a situation which can easily occur in quad biking.

The respondents engaged in air based activities, notably paragliding and parasailing which is under the remit of the Civil Aviation Authority, cited risks such as wind condition, the physical attributes of clients, obstacles during take-off, the nature of the equipment used, and the attitude of the pilots.

Overall, the majority of respondents cited weather conditions and client’s behaviour patterns as risk situations common to all activities, a logical explanation in that they are involved in outdoor activities where the weather plays a major role. From the information provided by the respondents, it can be implied that the possible risks which are foreseeable within the respective activities have all been covered. But this doesn’t entirely balance the risk equation, since unforeseen contingencies cannot be completely neutralized to make adventure tourism activities totally risk free.

**Q4. Tell me about your risk management plan.**

Risk management for most respondents was assessed on the basis of its relation to the activity, the environment and others not involved in the activity. All the respondents interviewed have in place an operational or risk management plan to handle risk.

All the six respondents involved in water related activities mentioned some measures in place to counter risk; such as making use of life jackets, fleeces, hot water bottles, procedures in place to train boat drivers, use of defibrillators, constantly watching rivers and reporting, taking along medical and other safety kits and making use of a backup boat.

Respondents working in land related activities cited a training system based on dual assessment - quantitative and qualitative - as their means of risk management. Quantitative assessment focused on repetition of daily tasks to ensure mastery, while the qualitative approach involved senior staff determining if the task was up to standard, and then providing the necessary feedback to refine these tasks.

One respondent dealing with activities supervised by the Civil Aviation Authority, stated that their risk management strategies included clearing all obstacles.
that can hinder smooth take-off, pilots keeping fresh water in case of dehydration, the extensive training involved in becoming a pilot, and taking maximum care not to engage in activity during poor weather.

From the findings, it can be said that adventure tourism activities that have obtained resource consent approval have an operational plan in place to guard against risk. This is due to the fact that an operational risk management plan is one of the prerequisites for obtaining resource consent. The issue then is whether the operational plans in place have been adhered to. From observations made by the researcher while in the field, it appeared that at least some of the components of these operational plans were being used – specifically jackets, water containers and communication gadgets. But useful further research could focus on how effectively adventure tourism operators implement their risk management or operational plans.

5. In the event of a serious incident (i.e. one of your customers is having a heart attack), how would you handle or manage it?

The respondents identified heart attack as a priority, though their responses were diverse. The sole respondent for quad biking explained that, if one of their customers were to have a heart attack, the emergency officials would phone for a helicopter or ambulance. The respondents dealing with water related activities stated that the backup boat would handle such an emergency if it was to arise while the customer was out on the water. Another respondent explained that all of the staff working in the company possess compulsory first aid certification, which makes them prepared and qualified to handle such a situation.

Some respondents expressed the fact that they have systems in place to tackle such emergencies, with each member of the team knowing what to do and whom to contact. One respondent also mentioned the fact that boats have processes in place in terms of where to drop any customers suffering from heart attack or any other emergency.

From the points advanced above, it can be concluded that most of the adventure tourism operators have a contingency plan in place for an emergency such as a customer having a heart attack while on a trip. But, from personal observation, it is evident that the owner operators who carry out their activities single handed will not be as prepared to tackle a serious emergency as those operators having extra hands to lend support. Moreover, operators whose business has expanded will have more resources to put in place to tackle such an emergency than a sole proprietor in the same activity.
Finally, despite the means at their disposal, unforeseen contingency in the form of poor weather conditions can further hamper attempts at handling such emergencies, though a hazard such as poor weather is difficult to mitigate given that it often occurs unpredictably.

6. What suggestions do you have to improve on risk and safety management within the adventure tourism sector?

The respondents expressed diverse opinions on what can be done to improve the situation of risk and safety management within the adventure tourism sector. For example, respondents engaged in water related activities cited several points on how risk and safety can be managed. Suggestions included introducing strict rules for kayaking – for example, no kayaking when the wind is 10knots and above - all guides being required to have a good first aid background, guides leading tours having completed a course leading to an internationally recognised or New Zealand issued qualification, benchmarking a blend of experience and qualification for those within the sector, and ensuring that all operators have an operational plan. Within the same domain, another respondent admitted that protecting clients, adhering to safety standards, and respecting existing regulations will go a long way towards improving risk and safety management within the adventure tourism sector.

The respondents involved in land based activities advanced a view that those engaged in safety audit should not indulge in furnishing advice but should instead provide alternative options to operators. From the respondents’ perspective, auditors are knowledgeable within their chosen field and should be using their expertise to challenge the incumbent decisions and systems within the business, rather than ‘coming with a clipboard and white coat to tick the boxes’.

Overall, respondents acknowledged the need for safety in their operations, and for risk to be well managed due to the impact that both have on their businesses. While some respondents were supportive of safety and risk management initiatives that have taken front stage, others were not so happy with this notion. For example, one respondent was worried that highlighting safety and risk management might create a lot of damage in the adventure tourism industry. From this respondent’s point of view, clients around the world might interpret the resurgence in safety and risk management initiatives as an indicator that something is wrong with the adventure tourism sector in New Zealand. A more proactive approach, with much effort devoted to involving all the stakeholders within the sector (especially those not
recognized or registered) will go a long way in ensuring that standards are maintained.

Hersey (2010) summarized this view by noting that some operators keep their safety system current by applying them to the day to day running of their business, but others are less likely to do so. Observation of safety precautions therefore seems to be something of an individual choice decision.

7. To what extent do current compliance requirements pose a challenge for your business?

A majority of the respondents know and understand the compliance requirements, and quite a few respondents agreed that the current compliance requirements pose a challenge to their business. They cited lots of environmental laws in place before launching an operation, and difficulties in obtaining consent approval, as major hurdles. Another respondent noted that the provisions in place for auditing under the New Zealand Amusement Device Regulation appear to be slightly flawed, and the approved bodies for auditing were seen as ‘a bit irrelevant’.

However one of the respondents, who did not consider the current compliance requirements to be a challenge, believes that the major problem lies in being organized and establishing contact with the Department of Labour (which constitutes their supervisory authority) to ensure familiarity in modes of operation. Another respondent also pointed out that, were he to re-establish his business today, obtaining resource consent could well be much more difficult.

It can be concluded that the current regulatory requirements do not pose a major challenge to long established businesses within the adventure tourism sector, but may constitute more of a problem to newly created ones. The research gathered from operators within the sector also show that a large number of smaller companies are not aware of the new regulations guiding the adventure tourism sector. There can also be a misunderstanding by operators of adventure tourism when the activity is spread between two districts, necessitating the procurement of two consents.

8. Are there any specific difficulties in meeting those requirements?

One of the providers of land based activities acknowledged that the introduction of the new adventure tourism legislation will cost the company much more money due to need to overhaul most of their systems. This respondent further mentioned that
a new operational manual has to be submitted to the Civil Aviation Authority, thereby requiring the services of experts in its formulation. In addition, another respondent, with Land Transport New Zealand as its supervisory authority, cited difficulties involved in renewing driving licences that stretch the activity beyond the six weeks stipulated by the law.

On the other hand, most of the respondents claimed to have no difficulties meeting compliance requirements were also not completely abreast of the new adventure tourism legislation. The fact that auditing was carried out as planned, and their operational plans were in place, may have resulted in such respondents expressing a view that all was well within their business operation. However, some difficulty may be expected by those adventure tourism operators who aren’t registered or have not yet had a safety audit. Obtaining resource consent application may also constitute a major obstacle, especially for new operators.

9. Do you think the way you conduct your business will change after the 1st October with the introduction of the new adventure tourism legislation?

The majority of respondents expressed a view that the way they conduct their business would not change with the introduction of the new adventure tourism legislation. One of the respondents involved in land based activities explained that his activities are already regulated by the Amusement Device Regulation, thereby making the new legislation not applicable to him.

However, one of the respondents involved in air based activities is of the opinion that the new legislation will affect his business in the form of extra resources committed to upgrading the systems in place and gathering information. He insisted on the need for a new operational manual to be produced and submitted to the Civil Aviation Authority and, in this context, the respondent strongly believes the introduction of the new legislation will affect the conduct of his business.

While respondents involved in water based activities viewed the new legislation as complementing the conducts of activities within their sector, one respondent cited Queenstown as being a pacesetter, and is of the opinion that the new legislation is in line with what is already operational within the sector. But another respondent involved in the same sector cautioned that only the big established companies are aware of the new legislation, with the smaller companies not so well informed.

Thus, it can be concluded that the new legislation will affect businesses that have no current mechanism in place to regulate their activities; while in sectorssuch as water
and land based activities, the new legislation will merely complement the existing mechanism regulating activities in the sector. In all sectors, operators that are not registered within the relevant sector will have to adhere to the new legislation to retain their legal status.

10 What in your opinion will be considered as the best practice to manage regulatory compliance within the adventure tourism sector?

On what constituted best practice to manage regulatory compliance within the adventure tourism sector, the respondents presented diverse views. The respondents dealing with land based activities affirmed that the existing regulatory framework is suitable, although the auditing requirement is slightly flawed, with irrelevant bodies shouldered with the responsibility of conducting audit.

One respondent involved with land based activities said that the best kind of framework takes into consideration every individual activity on its own merits. He further cautioned against utilising a particular process with a company and pitting it against another company. Flexibility was considered the way forward. Another respondent was philosophical, and simply stated that no matter the practice in place, ‘if it doesn’t work with the business, there will be no client and if it doesn’t work for the clients, there will be no business’.

Overall, operators within the adventure tourism sector favoured some form of a standard in place to ensure that ‘cowboys’ do not create havoc. The putting into place of any such body would require a broad consultation to enable the diverse interests represented in the sector to express their views and be heard. But one respondent involved in air related activities raised the issue of not having been contacted to express their views, or being given the opportunity to be heard, during the recent review of adventure and outdoor activities conducted by the Department of Labour.

4.3 Chapter summary

This chapter provides information on the interviews conducted with operators of the adventure tourism sector. The findings of the ten interview questions were grouped under three perspectives: one representing water related activities, another under land based activities, and the third on air based activities. In the table below, these themes are further broken down into four major headings; business management background and operator’s obligations, risk and safety management
issues, compliance and the impact of the new legislation, and finally the best practice procedure.

The next chapter, dealing with discussion, will lay emphasis on the points of agreement and disagreement between land, water and air based activities. The major causes of failure of regulatory compliance within small and medium size enterprises cited by Yapp & Fairman (2006) - lack of management, lack of trust, lack of proper system and knowledge – will be discussed alongside the findings above.
5. **CHAPTER FIVE: DISCUSSION**

5.1 **Introduction**

The discussion in this chapter will be developed from a broad analysis of the themes that were presented in chapter four. Those themes would be examined thereby furnishing answers to the research questions. Information obtained from the interviews will be utilized alongside material from other sources to contextualise the relevant points.

The first theme to discuss is the business background and obligations of operators within the sector. This provides answers to the first research question. The next theme deals with risk and safety management issues. This theme will furnish answers to the second, third and fourth research questions. The third theme will handle compliance issues alongside the impact of new legislation, answering the fifth and sixth research questions. Finally the last theme, which focuses on best practice, will answer the seventh research question.

5.2 **Business background and obligations of operators**

The nature of business within the tourism sector has been shaped by economic and political reforms within the 1980s which culminated in the opening up of the New Zealand economy to international investors. This in turn resulted in diversification in business and industry (Ateljevic, 2007). Operators within the adventure tourism sector have to comply with the Health and Safety in Employment Act and the Maritime Transport Act, though this compliance can take the form of Approved Codes of Practice (ACP) linked to specific activities approved by the Ministry of Labour; or endorsed guidelines developed by the Department of Labour and industry (Department of Labour, 2010).

From the ten respondents interviewed, seven were involved in water based; two in land based; and one in air based activities. Three were employees, two were managers and five were owner-operators. Among the five owner operators, each has put in a minimum time of seven years in the business. The other two managers have a minimum of six years within the business, and the three employees are trained operators with one of them benefiting from an in house capacity building scheme offered by the employer. This pattern falls in line with Ateljevic’s (2007) assertion of businesses within the sector strongly favouring the owner/manager profile, with personal motivation linked to those involved.
The respondents advanced diverse reasons for being involved in the sector, such as passion for the activity, having a background linked to the business, possibility of having a top management role, the rewarding nature of the job, and possessing the right qualification to be employed. But concerning their obligations, the respondents were unanimous in identifying safety to their customer or client as their major concern.

Respondents clearly understood the fact that injuries or accidents reflected a bad image on their business. They also affirmed that, despite their desire to keep customers safe, the quest to make them happy and to have fun during their trip constitutes another key priority for the business. From their conception, customer satisfaction can be ascertained from the proportion of return visits or the number of clients recommending to other people. That being the case, respondents saw a clear need to ensure that customers are safe, but in the process enabling them to have a good time with a positive value for money rating.

The respondents’ approach to handling risk affecting their customers will differ based on their respective activities. Activities that can take place from a highly managed location will expose customers to less level of risk than those found in locations with little control over the natural hazards (Department of Labour, 2010). Moreover, an owner operator who is single handed cannot furnish the same level of attention to clients as companies having more staff. From findings gathered in the field, when client numbers increase, additional staff are brought in, and this assists in better managing the risk in the operation.

5.3 Risk and Safety Management issues

Risk management is an issue that should be addressed in relation to the different types of clients. The fact that the environment might differ with the various agencies in place to act as supervisory authority further complicates the risk and safety management issue within the sector. In order to better explain risk and safety issues, the activities were grouped under their respective domains: water, land and air related activities. The respondents interviewed provided diverse views on how risk and safety can be better managed within their respective activities.

Those involved in water related activities listed points such as stronger regulatory control, for example by introducing strict rules for preventing kayaking in winds of 10 knots and above, and that all guides must have a first aid background with an international or New Zealand issued qualification. They favour a blend of experience
and qualification for operators within the sector, and state that all operators should have an operational plan. Within the same sub-sector of water-based activities, other respondent explained that protecting clients and adhering to safety standards and respecting regulations will go a long way to improving risk and safety within the adventure tourism sector. Hence, the respondents involved in water based activities wanted a blend of regulatory requirement, industry initiatives and improvement in the system as a proper remedy to better handle risk and safety management within the sector.

One of the respondents involved in land based activities believes that risk and safety can be better managed when those engaged in safety audit not only offer advice, but also provide alternative options to operators. The respondents involved in land based activities affirmed that, since auditors were knowledgeable within their chosen field, they should be the ones challenging the incumbent decisions and systems within the business, making use of their expertise rather than coming with a clipboard and white coat to tick boxes.

Respondents involved in air based activities cited identifying and eliminating all necessary obstacles which impede their activity as a risk management tool. The nature of their activity enables them to operate all year round, but the weather has a major part to play in their activities. One of the respondents expressed concerns about not being invited to participate during the review that was conducted to assess adventure tourism activities in 2009, despite the fact that their company is one of the largest within their line of activity. This respondent goes further to state that the opportunity would have allowed them to exhibit their practice and exchange ideas about their activity.

On the possible areas within the adventure tourism sector where the regulatory instrument should not be encouraged, one of the respondents suggested that if all safety standards mentioned in a company’s operational plan are adhered to, the company shouldn’t be exposed to litigation in case any incident was to arise. The respondent further explained that anyone venturing into the adventure tourism sector is fully aware of the risk they are getting into and, no matter the level of safety measures in place, incidents can still occur. Another respondent believes that the number and breadth of environmental laws in place only contributes to ruining the business of his branch of adventure tourism.

In this context, a notable finding during the study was the reluctance of most respondents to disclose the occurrence of any incident or near miss, creating the impression that the sector is devoid of such happenings. Only one respondent
involved in water based activity acknowledged having being involved in 3 ‘flips’ which he considered normal within the sector. From the responses of those interviewed, it can be concluded that the need for safety in their operation and for risk to be well managed are paramount due to the impact that both have on their business. While some respondents were supportive of safety and risk management initiatives that have taken front stage, others were not so happy with the trend in activities.

One respondent involved in water based activities expressed concern that the highlighting of safety and risk management issues could cause a lot of damage in the adventure tourism sector. From this respondent’s view, clients around the world might interpret the resurgence in safety and risk management initiatives as an indicator that something is wrong within the adventure tourism sector in New Zealand. In a slightly different context however, despite the views expressed by the respondents involved in air based activities on safety practices, a Transport Accident Investigation Commission report concluded that the boom in the aviation sector is not matched with improved safety standards (Ray & Jolliff, 2012).

Despite the impression gathered during the research that operators adhere closely to safety standards, there is the need to improve on the level of reporting. A culture of reporting should be encouraged within the sector by introducing a mechanism which allows operators to freely disclose any form of incident, no matter how slight it might be, without any fear of reprisal from government agencies. When operators within the sector improve on their minor or near miss incident data, this can be a helpful learning tool (Bentley & Page, 2008). The culture of the respective companies will determine the level of perceived risk.

A more proactive approach, with much effort devoted to involving all the stakeholders within the sector, especially those not recognized or registered, will go a long way in ensuring that standards are maintained. Efforts should be geared towards minimizing the level of risk by ensuring that there are safety standards in place, but the notion that all the accidents in the sector would be eliminated still remains a far off dream. The preferred approach will centre on mitigating risk to the greatest degree possible.

5.4 Compliance and impact of new legislation

The effect of the introduction of the new adventure tourism legislation on business sparked a mix reaction from the respondents. A majority of them expressed the view that the way that business is conducted will not change with the introduction of
the new adventure tourism legislation. One of the respondents involved in land based activities explained that his activities were already regulated by the Amusement Device Regulation, thereby making the new legislation inapplicable to his business.

A good number of the respondents contacted know and understand the compliance requirements, while just a few are aware of the new legislation that impacts on the adventure tourism sector. One respondent raised the issue that the provisions in place for auditing under the New Zealand Amusement Device Regulation are slightly flawed, and coupled that with the perceived irrelevance of the bodies earmarked for auditing. The issue of renewing driving licences was raised by another respondent, explaining that the processing period stretches the activity beyond the six weeks duration prescribed by the law. This respondent goes further to explain that the effect of not renewing documents in time results in slowing down of activity since staff cannot work.

Meanwhile, one of the respondents (who considers the current compliance requirements as not constituting a major challenge) believes that the problem lies in being better organized and establishing regular contact with their supervisory authority to ensure familiarity in the required mode of operation. However, it is worth mentioning that most of the respondents who affirmed not having difficulties in meeting the requirements were also not abreast of the new adventure tourism legislation!

Another aspect mentioned was how respondents deal with issues which they encounter while engaged in their activities, though the views expressed by the respondents were diverse based on their respective activities. One respondent was not aware of the supervisory body regulating activities within his domain, but this respondent further clarifies the situation by stating that all issues encountered had to be communicated to the person owning the business. Other respondents involved in water based activities mentioned that reporting is done to the Hop master (Harbour Master) or filing an incident report online on the website of Maritime New Zealand.

Respondents involved in land based activities report incidents to their management, who then contact those responsible. In a situation which constitutes an emergency, the necessary calls are made to bring emergency services, and one respondent goes further to explain that their field-based staff have contact with those at their main office through mobile communication devices.
One of the respondents involved in air based activities explained that the introduction of the new legislation will affect his business financially, since much resource will be dedicated to upgrading the system in place - new information has to be gathered to produce a new manual to be submitted to the Civil Aviation Authority.

Apart from the new legislation recently introduced, the adventure tourism industry has also benefited from the Accident and Rehabilitation Compensation Act. The close ties between the industry and the ACC can be illustrated by the sponsorship it offered to the formulation of the code of practice for bungy jumping activities in New Zealand (Buckley, 2006).

The adventure tourism sector has also been greatly influenced by the Resource Management Act (RMA) which brought together several legislations governing the management of the environment and the protection of heritage in New Zealand. Despite the positive contribution of RMA within the adventure tourism sector, it has led to an increase in cost through compliance with new standards or penalties in cases of default.

5.5 The best practice procedure

The best practice procedure will involve putting into place a standard that would be applicable to all activities within the adventure tourism sector, and such an initiative must be a coordinated industry-led approach. A good number of respondents expressed a preference for a code of practice to be in place to govern all activities within the adventure tourism sector. One of the respondents involved in land based activities preferred the existing regulation (The New Zealand Amusement Device Regulation), but cited a drawback - the auditing requirement is slightly flawed and the approved bodies charged with delivering the auditing services are irrelevant. This respondent agreed that the new regulation that recently came into force was useful in guiding adventure tourism activities.

During the research, one of those interviewed preferred the best practice procedure to make provision for diversity within the sector. The fact that the various localities involved in adventure tourism display different characteristics necessitated the need for putting into place a procedure that reflects on the specification of the area. For this respondent, New Zealand is hampered by a wide variety of standards, responsible organizations and qualifications, all presenting a risk in the form of safety within a sector that is not well coordinated (Department of Labour, 2010). In fact, some activities such as mountain biking and horse riding are currently not covered at
all (Bentley, Page & Macky, 2007), and the fact that such issues exist within the sector gives rise to jurisdictional gaps enabling businesses to operate with different standards which can compromise safe practice.

In trying to curb the impact of non-compliance within the adventure tourism sector, lessons can be drawn from the Adventure Activities Industry Advisory Committee (AAIAC) based in the United Kingdom. A possible best practice for the New Zealand adventure tourism sector could take a similar direction, establishing a similar body that can serve as an umbrella organization for all the stakeholders within the adventure tourism sector in New Zealand. The putting into place of such an industry-led entity can help tremendously in not only fortifying the existing framework but in acting as a boost to safety within the sector. The Department of Labour Review Report (2010) cited a wide range of responsibilities that can be conferred on such a body to uphold standards within the sector. Some of the tasks that it can be responsible for can include information gathering across the sector, identifying situations where standards are not consistent, bringing into light inconsistency across jurisdictions, advising government on possible areas for intervention, and managing entry and on-going requirements within the sector.

5.6 Chapter summary

The previous chapter has outlined the main themes revealed during interviews, and this chapter has broken those themes down into four major topics based on the respective activities covered. In this context, the business background and obligations of respondents provided an insight into the respondents’ respective risk and safety management approach.

Furthermore, the issue of compliance and impact of the new legislation provided an insight on how respondents were coping with such regulations. After undertaking a comprehensive examination of all the responses, suggestions can be drawn on what constitutes the best code of practice within the adventure tourism sector. The summary of this discussion plays an important part in the next section dealing with conclusions and recommendations.
6 CONCLUSIONS AND RECOMMENDATIONS

The New Zealand adventure tourism sector is pegged to an accreditation scheme, and therefore any discussion of the sector necessitates a closer examination of the strengths and weaknesses of such a system. In an attempt at understanding the compliance burden within the adventure tourism sector, and answering the associated research questions, this study has centred on examining the phenomenon at two levels notably, international and national.

At the international level, focus was placed on collecting secondary data through diverse sources such as library databases, websites and journal articles. This study of the compliance burden on an international scale provides a helpful basis upon which to gain a better understanding of the phenomenon in New Zealand. The findings from this research can be concluded as follows.

- Complying with regulation is an issue within the adventure tourism sector in New Zealand.
- The sector is handicapped by jurisdictional split across diverse agencies, a state of affairs that results in incoherent and non-standardised safety management conventions applying across the different activities that make up the adventure tourism sector.
- The standard operating procedures and systems that exist in the sector in New Zealand are composed of 6 major areas: hazards, clients, staff, emergencies, equipment and incidents.
- The certification scheme operating within the New Zealand adventure tourism sector has not completely arrested the situation of operators who are below standards and continuously fall through the gaps.

The recommendations below will explore the above mentioned shortcomings and provide some suggested solutions.

During the face-to-face research that was conducted, one major finding was that there was a lack of knowledge or failure of relevant agencies to visit operators. One of the respondents cited the issue of officials not visiting them as a major flaw which hinders the flow of information and knowledge. Such a gap prevents both parties from sharing information, which is even more necessary considering the fragmented nature of the sector. The fact that most of the sector has no entry requirement creates a situation where substandard operations exist, to the detriment of the
consumer and the industry as a whole. This situation would likely not have arisen had official visits been frequently done by the relevant agencies.

Respondents also mentioned the fact that information on new regulations dealing with adventure tourism is known by only well established and big companies within the sector. The smaller operators are not abreast of the changes. Disseminating information in the sector to the benefit of all players can be achieved if there is a will on the part of the agencies and the sector itself. This could take the form of public broadcast, utilizing tools such as TV, radio programmes, publications and posters. Operators can also be equipped with knowledge about the directives provided by the European Union in the form of guidelines offered to European visitors who book package travel into New Zealand, detailing the rights and liabilities that normally affect the adventure tourism sector.

The information gap can be better handled by exploring the methods used in the collection and collation of information. The Department of Labour Review Report (2010) raised three aspects linked to the information gap; collecting better information, collecting consistent information, and improving systems of collation. Better information for land based and non-certified water based activities can be gained from registration schemes, by safety agencies investigating activities in detail, establishing a scanning function, putting in place a database, and adopting a study based approach or incident surveillance programme.

- Within registration schemes, information obtained about operators offering land based or non-certified water based activities on a commercial basis can provide the necessary information on the nature of activities offered and where such operators are located. The possession of such information by agencies will enable better coordination and dissemination of information to the stakeholders within the adventure tourism sector.

- Requesting safety agencies to investigate activities thoroughly entails greater utilization of resources, necessitating a shift from the agency baseline approach to a more detail-focused operation. The current situation is hampered by an inter-jurisdictional split that results in inconsistency and lack of harmony among stakeholders within the sector. The creation of a super Ministry of Business, Innovation and Employment (MBIE) which would take over the functions of the Ministry of Economic Development (MED), the Department of Labour (DOL), Ministry of Science and Innovation and the Department of Building and Housing represents a better option for detailed investigation. The coming into force of the MBIE could potentially create a harmony in the sector that the current jurisdictional split does not have.
The information gap can also be remedied by scanning to detect new activities and the changes in the nature of current activities. Despite the fact that agencies involved in scanning will stretch further than their area of activities, the operational cost will be low. This would assist the government in making the adventure tourism sector more organized and structured.

Improving on the existing National Incident Database coordinated by the New Zealand Mountain Safety Council (NZMSC) would help the sector better understand and deal with information provided to the respective agencies whenever accidents, incident or other hazards occur. Such a measure will also make operators within the sector better able to handle the situations that they encounter. During the research, some of the respondents mentioned diverse approaches to handling incidents, from filling online reports to Maritime New Zealand or reporting to their respective offices for forward transmission to relevant authorities. The operation of a database will harmonize and simplify dissemination of information greatly, alleviating the current deficit in information.

The diverse agencies involved within the sector have to align their modes of information gathering to ensure consistency. This would involve the process of gathering information within the Department of Labour, Civil Aviation Authority, Maritime New Zealand, Accident and Compensation Corporation, the Ministry of Economic Development (MED) and others. The process will involve some sort of a mechanism to be put in place to provide quality and comparable information for analysis, especially when incidents occur, though ensuring consistency would be a tough exercise since data is collected by the diverse agencies for different purposes. The situation is further compromised due to the taboo-like status conferred to health and safety issues within tourism organisations and businesses.

Finally the accommodation facilities also have a major role to play within the sector, so far as dispensation of information is concerned. Apart from brochures and local knowledge that operators of boarding facilities possess, there are still enormous opportunities offered by clients on holidays who have not decided on the sort of activities they will indulge in. Operators of adventure tourism can drop videos of activities in boarding facilities to induce clients who have not decided on the sort of activities to participate. Such recordings should be illustrative of the risks that prospective clients will be exposed to if they participate in any such activities. Despite the internet furnishing all the relevant information needed, visitors without browsing skills or those not willing to search for relevant information will still constitute a prospective market for operators within the sector. If all stakeholders meet regularly in their respective localities and exchange pertinent
information within their sphere of influence, those operating boarding facilities will be better equipped to serve clients of the industry. The operators within adventure tourism will benefit from such exposure of their activities through more opportunities.

The lack of managerial ability amongst operators of small and medium sized enterprises is another point that results in non-compliance with regulations. Though the respondents in this research included five owner operators, two managers and three employees, the motives propelling most of the respondents into the adventure tourism sector were diverse, with only one respondent citing the desire to achieve a managerial position. The five owner operators have a close background to their respective activities, but none mentioned managerial competence or an interest in management as the driving force behind their decision to be involved in the sector.

The approach to management within the adventure tourism sector is strongly linked to the owner/manager profile, for most owners are unlikely to bring in professional managers to steer their business due to the costs associated with doing so. Therefore, due to their micro size, it becomes difficult for SMEs to sustain formal organization and management functions, since day to day operation and control rest with one or two persons. In addition, the practice of making use of seasonal staff was highlighted by most respondents, implying that employers are unable to put into force a career progression scheme and therefore hindering the fostering of a professional organizational culture within their business.

The structure adopted within the tourism sector is also highly dependent on the product offered, the size of the particular entity involved, and the economics of the owner manager, making for a relatively non-uniform business profile across the sector. For example, most tourism businesses have their operational and financial support tied to family units; and the trend is such that finances for most of these businesses are linked to personal assets such as family homes, farms or savings, especially during the commencement of activities. Later on, as the business develops, operators take bank loans to fund future activities, though the level of gross average income tends to be quite low.

During the research study, it was revealed that most of the owner managers operate the business closely around their family. One respondent attested to the fact that when their customer numbers increase, he brings in his two sons to assist him. The fact that some of the respondents inherited the businesses from their parents or family members further reduces the likelihood that professional managers are brought in to take over stewardship.
• In a bid to provide for better managerial skills within the sector, government training schemes such as personal management training, courses in information and telecommunications technology, and small business management and marketing can be introduced and, for example, be pegged to accreditation. Operators within the adventure tourism sector often enrol in courses that are closely related to their business, such as business management and marketing.

• Government agencies that offer free business advice should form a closer bond with operators within the sector, to enable them to benefit from the services that they offer. The New Zealand Outdoor Instructors Association workshop model for training and assessment that has been so successful within the adventure tourism sector is an example that can be replicated, and extended across the sector to partner with, for example, Sport Fitness and Recreation Industry Training Organisation (Now called Skill Active). Other workshops organized by the Tourism Industry Association, on risk management and associated themes, should be increased and extended around New Zealand to benefit remote players.

The importance of good management practice within the adventure tourism sector in New Zealand cannot be overemphasized. The changes in the external environment herald the need for adventure tourism operators to be involved in strategic management of their businesses, for it is those managers who have the responsibility to formulate, implement and evaluate decisions. As Buckley (2006) concludes, ‘the most successful adventure tourism destinations therefore will be those that blend adventure tourism activities with a host of more traditional pursuits’.

Rather than having a range of standards within the adventure tourism sector, a common standard will level the playing field for all the actors involved. Such a common standard can be utilized to establish major guidelines over risk, emergency handling, clients, staff, equipment, administering basic first aid, and monitoring. The Department of Labour review (2010) proposed certain recommendations put forward by national organizations in order to facilitate the creation of a common standard, and among the suggestions listed were:

• The need to align qualifications within the sector, providing information to the general public to enable them to assess the standards and qualifications of operators in order to make more informed decisions and better protect themselves.
• The introduction of a basic entry requirement for all newly established businesses to enable them to maintain consistent standards. Towards this, the Department of Labour review report (2010) suggested the utilization of the National Qualifications Framework as a benchmark for providing commercial operators and those within the non-profit sector with basic educational requirements.

• Providing a best practice standard, which can take the form of an industry led entity similar to the Adventure Activities Industry Advisory Committee (AAIAC) based in the United Kingdom. This initiative would work closely with operators within the sector, advise the government on possible areas for intervention, assist in gathering of information, identify possible areas where standards are inconsistent, and identify safety issues stretching over different jurisdictions. This body will also ensure that common standards of practice for the sector are put into place. Thus, operators will not only succeed in creating and instituting safety management plans in their business, but also understand what to do to keep their operation and clients’ safe.

With a more standardised set of risk management principles that can easily be followed by the sector, issues that currently plague the sector such as confusion, excessive paperwork and poor reporting - all of which aggravate the issue of compliance - can be alleviated. In the quest for making New Zealand an adventure tourism destination par excellence, operators must also provide self-improvement programmes which are not only enticing but improve the experiences of visitors.

The establishment of a code of practice in New Zealand for activities such as jet boating, rafting, river sledging, canoeing, tourist flights, all-terrain vehicles (ATVs) and horse trekking is a step in the right direction. A form of harmonisation of the several codes resulting in one best practice standard will be ideal, and help the adventure tourism sector in New Zealand evolve with the global trend. Considering the enthusiasm expressed by operators in the sector in support of a best practice code, such a measure will go a long way in improving the standards confusion in New Zealand. Safety management should be seen more than a tick in the box requirement by everyone within the adventure tourism sector.
REFERENCES


APPENDIX A: Ethics Approval Letter

Roy Misodi
Apartment 8A
Unitec Residential Village
Great North Road
Waterview 1026
Auckland

8.12.2011

Dear Roy,

Your file number for this application: 2011-1229
Title: A best practice framework within which small to medium enterprises in the adventure tourism sector can effectively manage the burden of regulatory compliance in New Zealand.

Your application for ethics approval has been reviewed by the Unitec Research Ethics Committee (UREC) and has been approved for the following period:

Start date: 8.12.2011
Finish date: 8.12.2012

Please note that:

1. The above dates must be referred to on the information AND consent forms given to all participants.

2. You must inform UREC, in advance, of any ethically-relevant deviation in the project. This may require additional approval.

You may now commence your research according to the protocols approved by UREC. We wish you every success with your project.

Yours sincerely,

Scott Wilson
Deputy Chair, UREC

cc: Ken Simpson/Ken Newlands
Cynthia Almeida
APPENDIX B: Interview Guide for research.

1. Tell me a little about yourself and how you became involved in the adventure tourism sector.

2. How has the business been this year compared to the last year? Did the rugby World cup have any impact on your business?

3. Given that the adventure tourism sector has an element of risk, can you give me examples of the type of risk that your customers may be taking?

4. Tell me about your risk management plan.

5. In the event of a serious incident (i.e. one of your customers is having a heart attack), how would you handle or manage it?

6. What suggestions do you have to improve on risk or safety management within the adventure tourism sector?

7. To what extent do current compliance requirements pose a challenge for your business?

8. Are there any specific difficulties in meeting those requirements?

9. Do you think the way you conduct your business will change after 1st October with the introduction of the new adventure tourism legislation?

10. Any other information about the adventure tourism sector which we missed or which you want to add?