

Event Issues 2 : Event organiser license

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A scan of event companies in Canada, Australia, USA, UK, EU, NZ, South Africa indicates there is no system for licensing event companies.

There are numerous systems for licensing particular events or aspects of events. South Africa has pending legislation for the licensing of all events over 2000 people. Most event licensing concern control exercised by the local authority over high risk areas such as:

- crowd numbers,
- beverages
- extreme sports
- transport disruption

The disadvantages of an event company licensing system far outweigh the advantages in most countries.

Comments on licensing

“Like in the USA we have licensing in Australia where there is specific danger involved or for particular 'trade skills' areas, e.g. for electricians, security guards.... For actual tourism operations or operators, there have been several attempts to license and/or accredit various sectors. Most have failed due to lack of agreement amongst stakeholders and ultimately lack of support from the Government.”¹

“Under the Licensing Act 2003, all venues in the UK (permanent or temporary) that host events open to the public have to have a licence - the premises themselves if used regularly for events (all for events over 500 people) or licensed entertainment have to have a Premises licence, temporary events below 500 people have to have a Temporary Events Notice (but limits on how many of these you can get), individuals who run events regularly can apply for a Personal Licence.”²

Transfer of risk to licensor

A licensing system transfers the risk to the licensing body (Licensor). This was recently illustrated by the tragedy at a corporate event in Bahrain. The Al Dana, a dhow, was used as a venue for an event. It capsized killing 56 people. The

¹ Briggs

² Bowdin

case is still unresolved and the lawyers are threatening to take the licensing body, the Bahrain government, to court:

“The Al Dana then received its Tourism Licensing Certificate on 18th February 2006 and was inaugurated on 9th March 2006 by the Under Secretary of the Bahraini Ministry of Information. Marine Consultants reported a number of safety deficiencies in their report of 22nd February 2006 but despite the dangers, and despite the Captain being unqualified to sail, the Al Dana set sail on the evening of 30th March 2006 leading to its capsizing.”³

There have been many disasters at events where it was found that all the parties were licensed.⁴ The Government, as the licensee, is at fault if it can be shown that they have been negligent in the licensing process and its enforcement.

Ongoing cost

The second disadvantage of licensing is the cost in resources to setup and police the licensing. The set up costs are small compared to the ongoing costs of ensuring that the licensee keeps to the terms of the license. In the practice of licensing, Governments and their departments have been shown to be under-resourced . They are unable to enforce the requirements and the necessary inspections.⁵

The license can be regarded as an extra tax on the event industry. The bureaucratic requirements and the cost could drive event companies to look to other countries to stage their events.⁶

Restricts innovation and development

The third disadvantage is that licensing favours established companies. The event industry, particularly in a developing country, needs innovation. Small companies, often one person operations, are dynamic and innovative. It is from these small beginnings that successful events grow. Almost all flagship and mega events were created and developed by a small group of enthusiasts. The Grand Prix and the Olympics are examples of this. A licensing system, administrated by a government bureaucracy is incompatible with swift moving operation that can take advantage of opportunities limited by time.

When compared with certification and permitting, the licence has a negative connotation . A certificate is a recognition of professionalism and assists the event manager in their work.⁷

³ Internet 1

⁴ Briggs, Schmader

⁵ Goldblatt

⁶ Goldblatt

⁷ Schmader

Complexity and immaturity of the event sector

The final argument against licensing is found in the characteristics of the event industry at this time. The events sector includes events of various size and type. Wedding, exhibitions, sports competitions and fundraisers are examples. The definition of what can be describes as an *event* is unclear⁸. Many events are organised by volunteers or a mix of volunteers and paid staff.⁹

An event company licence needs to navigate and control this complexity. The question of who will be licensed must be resolved.¹⁰ Each event may involve numerous owners and stakeholders such as the event host, client and the event coordinators, managers. Event companies can be part time individuals as well as established international companies. Unlike many industry sectors, the events industry is highly fluid, dynamic and comprises numerous individuals working on a project basis.

Adding to the complexity is the early stage of development of the event sector. Although there are a plethora of associations and training courses, most of these have been created in the last ten years. There is not a universally agreed set of knowledge and skills for the management of events.

The Alternative: Certification and permission

A viable alternative to a government licensing system of event companies is to use a combination of permission for specific events and certification of event companies. Event companies can be accredited by event associations or a peak industry body. To gain the certification, event companies undertake training in areas of need - such as risk management. The training can be provided by Government departments, such as Regional Development and Tourism, educations institutions and private training providers.

The certification is not enforced. However the Government and local authorities will favour accredited companies in their requests for tender. Certification and training provide a measure of the competency of an event company.

Certification is an incremental way to improve the event industry without loosing the dynamic thinking and new ideas necessary for its development. Provided the certification is based on a sound competency system closely linked to industry and international trends, it assists the event companies in producing better events. Ultimately it results in a sustainable industry responsive to the country's development.

⁸ Mondor

⁹ Schmader

¹⁰ Goldblatt, Schmader

Certification and special licenses/permissions are successfully used in most professions such as engineering, accountancy and project management and in many trades such as carpentry, building and gardening.

Comments on the viable alternative

“I.. think that accreditation is much better than licensing for events - apart from specific skill areas discussed, like electrical, etc. It encourages best practice and pride and professionalism in the industry and provides some indication of quality - though no guarantee - for those not wanting to take a risk in employing unaccredited people. However, to succeed or be of value, I believe it would need to:

- be developed and operated by a group of rather than single industry associations
- have support and buy in from all major stakeholders
- be linked to certification ie qualifications (EMBOK or mapped qualifications) and have sufficiently high criteria for membership
- be funded adequately for administration - from fees, government sponsorship?
- offer real benefits to members - eg discount insurance, member support, badges and logos (for marketing)”¹¹

The final word on this issue is given to Janet Landey who has pioneered this area of event management and is at the frontline of events competency development in South Africa.

“My mission .. has been that the industry needs a Professional Body which would be the Certification Body against standards set by industry standards setting body, and certification criteria set by the Certification Body - pretty much like the CSEP¹² - you need a minimum of 3 years experience, x amount of attendance at CPD (Continuing Professional Development), y for the ‘greater good’ – altruistic/ giving back etc. and as a result of this the individual can challenge for Certification and this then against:

- the theory for the given event – against a defined outcomes for each of the competency areas
- the proven industry experience
- the documented proof of CPD (which needs annual points – which could be the role of industry associations)
- applied competency - an industry experienced Assessor can assess the applied competency and
- Certification awarded

¹¹ Briggs

¹² CSEP Certified Special Events Professional, awarded by the International Special Events Society

- Renewable every 5 years (against written proof of CPD points and greater good)

Conclusion

The licensing of event companies is impractical and would require a huge continuing commitment of resources. The industry is developing and needs encouragement of excellence provided by training and certification. Licensing would favor the established large companies and therefore stifle the industry's development. Eventually it would lead to stagnation and the moving of events to other countries. The event industry is based on taking calculated risks and innovation. The small players of today produce the successful events of tomorrow. It is the opinion of the author and the event experts who contributed to this discussion, that the Government should consider training and certification.

Contributors

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- Schmader, Steven Schmader, President and CEO, International Festivals and Events Association (IFEA) 18 April 2008, **USA**
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