

The Winston Churchill Memorial Trust

Churchill Fellowship 2003

Investigating the risk management strategies employed by major public entertainment venues in the U.K. and U.S.A. and to assess changes in the field of public liability insurance

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Signed:

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1. Precipis and Acknowledgements

This report details findings from a 2003 Churchill Fellowship visit to the United Kingdom of Great Britain and the United States of America. The report relates to specific issues in the management of major public entertainment venues. Areas identified for specific investigation include:

- Risk Management strategies and methodology
- Crowd control and security including entrance and exit strategies
- Public liability issues associated with the entertainment industry
- Counter terrorism initiatives introduced since 2001

This report is the culmination of research, invaluable experiences and the support of many individuals and organizations that have assisted me greatly. I would like to acknowledge the following:

- The financial assistance provided by the Winston Churchill Memorial Trust and the understanding and flexibility of CEO Paul Tys. Further the pre-trip induction offered by the South Australian fellows association was invaluable.
- The support of my employer, the Adelaide Entertainment Centre, specifically the Chairman, Mr Bob Foord and Chief Executive Officer, Pamela Del Nin, who encourage learning, challenging convention and the pursuit of excellence.
- The many companies and individuals that made their valuable time available to me and were willing to share their experience and information.

2. Executive Summary

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2.1 Fellowship highlights:

My area of interest in pursuing the fellowship was defined as the study of contemporary risk management practices and the latest trends in public liability insurance specifically for concerts and events held principally in indoor arenas. As major public gatherings for concerts and sporting events can take place at sporting or outdoor venues I also met with key executives from major sports stadia and made contact with the organizations that stage music festivals.

The fellowship allowed the opportunity to meet with many individuals employed in venue management. It was reassuring to see that around the world the issues faced in managing major public stadia are very similar. The reason for visiting the UK and the US was the similarity of the operating environment and touring (concert) market. In the UK most venues are publicly (government) owned and operated or publicly owned with an outsourced management company. This is common also of the Australian market. In the US the majority of venues are privately owned and run. I was fortunate to attend 19 venues and saw three of the venues during “event mode” which added to the overall experience. I found approaches taken on certain aspects of risk management and insurance can be quite different from venue to venue but overall each venue appeared to be well managed and fully cognisant of the myriad risk issues that exist. As I met with so many venue executives I cannot name them all but rather I’d like to acknowledge those that I felt were of most assistance.

Meeting with a Chartered Insurer, Richard Campbell-Kelly ACIS, ACII to discuss public liability issues and insurance coverage as it relates to public entertainment venues was of great benefit as was the assistance of Keith Gwatkin, Venue Operations Manager of the NEC group in Birmingham. Notable others include, Julie Warren, General Manager of the National Ice Centre & Nottingham Arena, Bob Brandon, Executive VP Legal Affairs, Madison Square Gardens for his frank and open discussions on the legal and insurance processes and Lee Zeidman of the Staples Center in Los Angeles on operational issues.

My research indicated that most venues were at the final stages of a catching up process in terms of their risk management strategies. There are several reasons to cite for the catch up phase. Since September 11, 2001, there has been a renewed focus on homeland security in both the UK and the US. This appears to be mirrored somewhat by major venues in Australia. In addition to the new threat of a potential terrorist incident, the rise of venue insurance premiums has forced many to incorporate changes to operational procedures and sometimes the addition of new capital purchases in the process.

Most Australian venues are government funded and subsidized. This business model means that major sport and entertainment facilities are often viewed as a social benefit to a local community rather than a direct economic contributor to an economy. As an example an airline terminal (another major place of public assembly) is viewed as a major revenue generator and facilitates incoming tourism and trade revenue. Security cover is usually less extensive in places like shopping malls and entertainment venues but similarly they offer a place of major public assembly and may well be considered a potential target for a terror incident. In the current political climate Australia is a country with heightened fears of such an incident. Perhaps to illustrate this, a recent survey found over 60% of Australians (Newspoll, July 2004) believed that a terrorist incident in the near future in Australia is likely. This threat is considered over and above the blanket approach taken to major events such as the 2000 Sydney Olympics, that in isolation also draw world attention.

It is difficult to ascertain whether the threat and venue response to a terror incident could be overplayed. The isolated location of this continent, tough border controls, counter terrorism task force and law enforcement agencies that in the most part work in a united way offers some comfort. I have identified some options available to venue managers to improve the detection and deterrent capability and improve public safety and risk mitigation. These are outlined in the report. Clearly all venues both here and overseas are funded differently and may not be able to sufficiently fund improvements based on their current cash-flow to offer the security coverage that an airport offers to the travelling public. Unless a government views an event or concert going audience in the same way it is unlikely any major changes will be made in the short term.

Perhaps it is an appropriate time to review the level of capital expenditure that is being spent on improving revenue generation against that on public safety in major venues. This report does not study venue safety specifically; there are many excellent books on that subject already. What it does do is look at contemporary risk and public liability insurance issues affecting major public stadia and how venue managers have dealt with them. The report comprises of two parts, firstly risk management strategies with relation to venue security and patron safety and secondly public liability insurance.

2.2 Key Findings

There is scope to improve a venue's ability to handle areas of risk in the area of event management. These include:

- Safety and harm minimization must be an organisational goal. Board and CEO must chart the course realising that a focus on safety and risk management is sound business practice. This must be reflected in policies, training and ethos.
- The build up and break down of an event offers as significant risk as the event itself due to the nature of time pressures and tasks involved.
- An obligation to make a commercial return often needs to be considered with a venue operational response and the fact that "you can't wrap people in cotton wool".
- Monitoring a vast area and large crowds is made better by the installation or improvement of closed circuit television cameras(CCTV) equipment throughout the venue. This should include both a zoom and infra-red function and be on a permanent recording basis to high definition media so that it can be relied upon if required.
- Staffing is key. Training programs must be held at induction and renewed regularly. Areas such as the occupational health and safety standard that apply for staff and patrons, legal responsibility and incident reporting programs, bomb threats, evacuation training should be considered mandatory.
- Reporting and record keeping assist in identifying risk areas, crowd profiling, and risk mitigation post incident.
- Evacuation Plans must be current and well known by operational employees, annually reviewed and regularly tested (through desktop exercises or independent audits).
- Polaroid or handheld digital cameras should be issued in key areas of the venue to record incidents especially in the areas of trips, slips, falls and ejections at the time they occur.

- Investigation into the opportunity to include “4 wall” indemnity public liability coverage delegating insurance to promoters of events to improve a venue’s legal protection.
- Insurance companies to provide on site training and guidance to venue managers and line supervisors on the steps that can be taken to defend against potential claims. This can offer feedback on national and international venue claims experiences. Furthermore insurance companies should be asked to audit venue incident reporting programs and suggest improvements to them.
- Ensure that areas within the venue that are notoriously dangerous (for example, wet areas, floors and roofing grids) can be made safer by the implementation of physical changes or new guidelines for use.
- Implement an authorized contractor policy. This process ensures only those companies and subcontractors that have been registered to work in the venue do so, after being vetted for qualifications, insurance coverage, work and safety history.
- Insurance claims against venues are trending down but premiums have trended upward. Public liability market forces that started prior to September 11 incidents have accelerated since. Evaluations of insurance coverage and exclusions should be tested against the market annually to ensure fair and equitable policies.

3. Program

United Kingdom 21st May–19th June

London: Earls Court, Olympia, The Lyceum, Wembley Arena, Wembley Convention Centre, Lords Cricket Ground

Wales: Cardiff International Arena, Millennium Stadium

Birmingham: National Exhibition Centre, NEC Arena, National Indoor Arena (NIA), Birmingham Symphony Hall

Nottingham: National Ice Arena (Nottingham) Arena

Manchester: Manchester Evening News (MEN) Arena

United States: 19th June – 30th June

New York: Madison Square Garden

Boston: Boston Symphony Hall, Fleet Center

Los Angeles: Walt Disney Concert Hall, The Staples Centre

4. Risk Management Strategies

In the entertainment venue environment there is usually a raft of legislative requirements that a venue needs to comply with. Literally these could fill pages. They relate to areas of building, electrical and fire codes, health and safety practices, patron access, liquor licensing, waste regulations and discrimination to name a few. Each country is usually governed by separate pieces of state and federal legislation. In Australia event management risk is covered in the AS/NZS 4360 1999 standards and a document (Playing it Safe) Guidelines for managing Risk in the Public Service 1996 are commonly referred to in terms of a guide for risk management planning. The guidelines contained in the standards that apply to risk management planning in each country provide an excellent template for venues looking toward putting in place a risk register. The risk register outlines each potential threat that exists in the business and qualifies the likelihood of its occurrence and the method of dealing with that risk. In its simplest form assessment of risk involves three key components. A risk event, the likelihood or probability of that event occurring and the consequence or impact should the risk event happen.

A sound risk management framework within a venue begins with an analysis of the risks involved in that business. When these risks are identified further analysis is required to seek a separation to identify which risks are acceptable; those that can be managed with present staff and resources and those which fall outside that and are deemed unacceptable. The latter requires a risk strategy as it is a risk that the organization has considered so high in terms of its probability of occurrence or consequence that the venue does not want to undertake the activity in its present form.

Development of a risk register is done for a number of reasons. It allows identification of current controls, it refers to the person and position responsible, it estimates likelihood of the event after control and estimates impact after control. It provides a mechanism to review and hone the internal operation, training and procedures to best match the venues exposure.

Of the venues visited most operational managers were working within an existing risk management framework. Although all venues had well established emergency and evacuation procedures in place, a renewed focus on risk management and business continuity planning had been brought to the fore only in the last three years. Several venues had not embarked upon any form of business continuity planning should a major incident occur.

In the UK each venue has an Entertainment license granted under the Public Entertainment Licenses Act 1997 and that license is subject to renewal. In the US, this is a municipal certification and authorized by the state government (City Hall). Both have minimum standards that need to be met and in the case

of the UK a submission needs to be made each year to the local council in relation to the renewal process that demonstrates the venue's capability to remain operationally safe.

As a cornerstone each venue has a risk management plan and an emergency evacuation plan. The organisations surveyed on the trip established that they operated both plans. Most revisited the plans each year and updated where necessary however some revisited the evacuation plan only bi-annually. Often the emergency evacuation plan has been in place from opening and risk management plans incorporating business continuity planning have been a more recent development. Most venues conducted either a desktop exercise or an internal drill at least once every year.

The maturity of the venue industry is reflected by the fact that each venue interviewed held a risk management plan. Most were established along the lines of national or international standards. There are individual elements that are common in entertainment and sporting stadia worldwide. Through reviewing many different organizations visited across two continents it is my opinion that some of the key findings can be applied to the contemporary Australian entertainment arena.

5. Venue security

Most major entertainment venues have a massive footprint. To house up to 20 000 patrons and often provide car parking, the physical structures can occupy anywhere between 1 and 2 city blocks. This creates an enormous challenge in ensuring the security of the building and its environs. The threats to security can come from intruders, patrons, staff or contractors. Venue management must ensure that a system is geared appropriately to each of these different groups and one that can operate effectively outside of event use.

5.1 Plaza and forecourt

New venue designs for major public entertainment venues have now been modified to ensure that unauthorised cars, trucks and other motorized vehicles are not able to drive right up to the door of the facility. A venue visited that had retrofitted their plaza with a deterrent measure was the Staples Center in Los Angeles. Massive planter boxes made from Kevlar and concrete and filled with trees have been placed around the perimeter since September 11. Rather than detract from the appearance, they have an aesthetic appeal and bring colour to an otherwise barren plaza. Furthermore they do not impede crowds should an evacuation occur.

5.2 Exclusion zones

On the day of an event when thousands of people are drawn to a venue whether for sport or entertainment, road closures or exclusion zones offer another level of security. Depending on the location of the venue, the minimum coverage of the exclusion zone would be the perimeter roads of the venue. In larger venues it can be expanded to a number of blocks.

Working in conjunction with local police, an exclusion zone ensures that no unauthorised vehicle can stop anywhere near the perimeter of the venue. The common practice for any vehicle left is to have it towed away immediately. A vehicle capable of lifting and removing such a vehicle is located on site to ensure an appropriate deterrent.

5.3 Closed Circuit Television Cameras (CCTV)

The most common blanket coverage of a venue is made by the installation of Closed Circuit Television Cameras (CCTV). CCTV is useful in three ways, firstly as a deterrent; secondly as a visual identification and thirdly it may be relied upon as evidence should an insurance case proceed to a claim. There are many venue managers that have successfully denied insurance claims from opportunistic patrons claiming trips and falls through the accurate recording of the events through this technology. I interviewed two managers who confirmed

cases had been dropped once plaintiff attorneys had viewed video footage. Close circuit television should be considered as an integral part of venue security. Most venues visited had some form of close circuit television. Most systems are monitored 24 hours per day and are set for permanently recording. The effectiveness of the coverage varied significantly between sites visited. To receive maximum benefit from the technology several factors must be considered.

Firstly the number and location of cameras should operate within the performing arena as well as the front of house and perimeter of the building to give an effective coverage. Secondly, a zoom option on each camera is essential to ensure that staff can further investigate suspicious activity remotely. Incorporating a 'night vision' specification for cameras mounted in poorly lit areas such as backstage, loading dock, pit and arena floor is desirable to provide a full coverage of patron movement. For high security shows this allows for remote monitoring of crowd activity especially in high risk areas close to the stage. The quality of the recorded footage is not always as sharp as the images on the monitors due to differences in the storage media. Most venues only held the footage for 30 days however with the emergence of digital technology improvements in quality and storage have been implemented by leading venues giving them a continuous and permanent record in high definition.

These features if implemented in all venues would assist in incident response and reporting, improve the venue defense against insurance claims and offer insurance mitigation.

5.4 Intruder alarms

A venue traditionally has many entry and exit points it is often difficult to ensure a blanket coverage of alarming each area 24 hours a day. The adoption of 24 hour CCTV coverage assists here. Research indicated that those venues that did not have alarm systems in the past 5 years have added them subsequently. New technology incorporated in the newest venues gives a voice activated alert when a perimeter is breached and a ground response can be sent to that area to investigate, this applies in major venues that operate a 24 hour security presence on site. This technology is of greater interest when a concert or event is being held to ensure that unauthorised individuals are not in an area of high risk or put others at risk. As a venue is dark (unused) for many days between events, it also allows a level of control ensuring individuals are not able to access sensitive areas for example, backstage or public foyers without detection.

5.5 Administration offices access (non-event)

Venues are not unlike many commercial businesses. They often receive many visitors who may be suppliers, contractors, general public or government officials. Of all venues visited over 80% required a formal sign in process. This involved recording name, date, time of arrival, company represented and whom one was meeting with. At Earls Court & Olympia commercial visitors were digitally photographed and that photo was made into a venue ID issued on the spot, and verified against a photo id that the visitor held, furthermore the photo image was maintained as a record on site. The Staples Centre went one step further and commercial visitors were requested to walk through a metal detector (archway) and have their bags sent through an X-ray machine. All of these methods ensured that equal rigour was applied to each commercial visitor. For four of the more sophisticated and larger capacity venues full time venue staff accessing the building used electronic swipe cards with photo id. Others used a range of identification cards usually attached to the staff uniform and subject to challenge from security staff.

5.6 Staff control

Many venues that outsource staff have a policy that the firm hiring them does a background check. This is especially so in the case of security personnel where police record checks are required by many venues. As the numbers of staff employed on a single event can be in the hundreds, many venues operate random spot checks of employees on arriving or exiting the building pre and post shift, including clothing and bag search. This minimizes possible shrinkage but also puts staff into a wider security picture for an event.

6. Patron safety

6.1 Crowd control & audience profiling

Audience profiling and crowd dynamics are extremely important elements to be understood by a venue manager. Research uncovered that many sporting and entertainment venues apply a rigorous profiling process. The operations team at sporting stadia understands the differences between a cricket crowd, rugby crowd and a football (soccer) crowd. Hence operations managers between sporting venues should and do communicate between themselves, the emergency services (fire and police) and the respective sporting league administrations to highlight potential areas or supporter bases of concern.

One recent example is the segregation of fans (by netting complete sections of chairs) at the 2004 FA Cup held at the Millennium Stadium, Cardiff. This was the first time in the history of the FA Cup that segregation had occurred and resulted in tens of thousands of pounds in lost revenue. It was considered the mix of Millwall Fans and Manchester United fans could be a volatile combination as both had a past history of violence. One will never know whether an incident would have occurred but the opportunity of one occurring was reduced by the action of event managers and the Football Association. The event proceeded without issue.

In entertainment venues, security and crowd control responses are geared to the type of musical style, band reputation and the artist's fans. Therefore R'n'B and Hip Hop artists provide a different demographic to a pop concert. As an example a ballet crowd is unlikely to riot whereas a boxing audience might. To ensure a measured response the issues to be considered include the age and male/female composition, whether the crowd is heavily intoxicated or likely to have consumed illicit drugs. Physical behaviour of the crowd such as slam dancing, moshing, crowd surfing and stage diving all add an element in crowd management response. It is essential that both security personnel and stewards are aware of what behaviour will be tolerated and what will not be, to ensure that the response is tailored to the audience and venue manager's comfort levels. The team appointed for the responsibility of crowd control need to be well trained and understand their role. Responsibilities include an understanding of the concept "duty of care" including their obligation to the crowd as well as the venue. A venue's public perception is often a reflection of staff attitude towards patrons.

Pop concerts often drawing large numbers of young pre teen girls can induce crowd issues involving fainting and hysteria. If not dealt with immediately these can create medical emergencies with crowd surges etc. Thus responses are tailored similarly to suit the needs of this profile. These include increasing the

presence of medical teams and appropriate resuscitation and triage close to the event, briefing to all staff about the need for crowd and performance intervention should it be required and an understanding of the indicators of a potential problem prior to its occurrence. These may include elements such as time that the crowd has waited to get into the venue, (excessive time can cause agitation or heatstroke as an example if weather conditions are adverse) when queuing. An excellent example would be a queue of five hundred teen or pre teen children waiting in 35 degree Celsius heat for 4 hours without access to food or fluids. As it appears to be a problem waiting to happen the symptoms of this problem must be acted on early. It further exposes that a duty of care is extended in this instance prior to the event occurring not at the time a patron enters the front door. There are several ways in which experienced venue managers can counter such a problem; these include offering ample free water, providing shade, access to traysellers (food) to reworking queue formations and opening parts of the venue earlier than scheduled to offer a measured response.

6.2 Event security staffing

My research indicated that there was not a common approach to the staffing of venue security. The desire by all managers is that security is an essential part of the venue approach to crowd safety and can affect patron enjoyment and that the team employed need to have clear guidelines for expected behaviour. Concert and event security is a specialised skill whether operating (FOH) Front of House or BOH (Back of House). Due to the difficulty in holding so many well skilled security staff, training them in house and giving them enough hours to maintain a stable team, many UK companies have outsourced this role. The major organisation in this area specializing in the UK concert and event security market is a specialist security company, Showsec. Traditionally a Showsec representative would report directly to the Venue Event Manager or Security Manager allowing control to remain with “the house.” Showsec are well regarded in the industry and run a vetting procedure and constant training programs to ensure that good staff are secured and held. Over the last five years the company has gained the majority of indoor and outdoor event security roles in the UK. In the US most venues I visited are privately owned and managed and the security role is handled in house. No overall trend has been noted in ensuring all security staff or crowd controllers hold a police clearance (license) in the various jurisdictions. This is due mainly to lack of legislation making it a requirement by law, costs involved of certification, how policing of the requirement would work and the fact that those venues who employ in-house are comfortable with their record of training and response.

6.3 Weapons and Explosive detection

An issue to consider regarding terrorism is the access of concert going patrons of illegal weapons and the ability of venues in identifying this risk. The increased use of wands (hand held metal detecting devices) that are regularly in use at airports have started to appear at higher security shows. These devices and Archways (walk through) metal detecting devices are used at some but not all concert venues. Some venues choose to bring in equipment for specifically profiled high security events but not for events of lesser risk. A major issue is the cost involved of the technology and what party (venue or patron) will bear that cost.

Explosives cannot be detected by metal detection devices but require sniffer dogs. Only one venue in the UK has considered a permanent "dog squad". Other venues can call on the Metropolitan Police Dog Squad if a perceived threat or a high profile visitor (royalty or foreign dignitary) is attending an event. Again the cost/risk profile needs to be considered.

6.4 Police attendance

In UK festivals, concerts and events police will often attend in a plain clothes capacity with the full support and knowledge of the Event Operations Manager. In the US, off duty police (but remaining in uniform) are hired on a regular basis within venues for presence and an additional level of security. Only in Los Angeles did I find that the working police were allowed to carry weapons onto the premises.

Police attendance in terms of uniformed or an armed presence is charged to either the venue, the event promoter or shared between them.

6.5 Entrance & Exit strategies

Entrance to or exit from an event can sometimes create a problem through the overcrowding of entry points resulting in crowd surging and crushing injuries. The major entertainment arenas have responded by offering a graduated entry channel. This creates an entry point that starts many metres from the front of the venue thereby reducing the pressure on the doors. Security measures at Madison Square Gardens ensure that a patron passes by three checkpoints prior to entering the venue. Larger outdoor events such as the Chelsea Flower Show and Glastonbury only offer sales via the Internet, graduated entry times and no opportunity to purchase at the door. This reduces unwanted gate traffic and only allows those with valid tickets to get close to the venue.

In the event of an emergency, the plan in most venue evacuation plans is for an orderly exit. The Millennium Stadium in Cardiff routinely operates a “Trial emergency” post match and is put in place by closing all exits except for one and operating an orderly evacuation of the venue. This is not communicated with the stewarding staff or patrons prior to the event and no reason for alarm is communicated but it offers an opportunity to see how staff and patrons react when circumstances change. The recent experience incorporated after a Rugby final worked perfectly. This plan is communicated with police and local council to ensure orderly egress to surrounding streets. This strategy is to be commended in its effectiveness in trialing a mock evacuation without creating alarm. The recent (2003) nightclub fire in West Warwick, Rhode Island and nightclub crowd stampede in Chicago Illinois indicated that venue design and exit strategies coupled with buildings that do not meet current fire safety codes are a recipe for disaster. Current venue designs for major entertainment venues and sporting stadia comply to rigorous standards and offer more surety in egress.

6.6 Rigging and technical issues

Rigging is the backbone of staging a major concert event. It involves the construction of the production requirements needed for an event. This includes sound equipment, trussing and lighting, installation of pyrotechnics and props as typical examples.

The major London Arena, Earls Court & Olympia were prosecuted for the death of two rigging personnel who fell to their deaths in two separate rigging accidents. The application of tighter contractor regulations and the overseeing of the work being carried out by venue management could have prevented both deaths. Safety harnesses were not worn in both instances. In response Earls Court & Olympia work practices have been completely transformed. An investment of £1.5m involved capital upgrades, new safety planning and a visitor and contractor policy have gone a long way to reduce exposure to risk. A new management team has ensured that all has been done in responding to the tragic circumstances of those deaths. These incidents are not uncommon worldwide and a move to promote industry rigging standards is a response to the concern for safety. The Entertainment Services and Technology Association (ESTA) have had approved two standards under the American National Standards Institute to cover Entertainment trusses and towers, entertainment technology –design, use of wire rope ladders and have seven additional drafts pending approval including the use of speaker enclosures for overhead suspension, flying performers and manual and automated rigging systems.

Rigging consultant Jay Glerum identified four keys to rigging safety. Rigging, he says, must be properly designed, correctly installed, regularly inspected and maintained and used correctly.

Rigging is often conducted in confined spaces many metres above a stage or in a roof. It is a skill and trade that is required whether the event is staged indoor or outdoor. In all venues, riggers that are employed either in-house or are contractors must hold professional qualifications to work in that venue. A register of certified contractors is a policy that has gained acceptance by a number of the larger venues visited including Earls Court and Olympia Mr Paul Rowlands Rigging Co-ordinator Technical GOS at the National Indoor Arena explained an operational issue that occurred recently when management were planning the installation of a new safety line system in the roof of the Arena. The original design and budget made the safety line in his opinion 1 metre too far away from where it should have been. Although this would meet health and safety standards, riggers often working under tight time pressures may in an occasion consider that it was “too far” and could slow them down. At considerable extra expense for design and installation, a new line system that was much closer was designed with a structural engineer that meant that there would be no excuse why anyone would not use the new safety system. “One accident in this venue is one accident too many” he was quoted as saying.

At two major arenas large portable steel frames (3 m x 1m high), covered in colourful PVC covers announced safety messages during the build up or break down of an event. These portable and convertible messages such as “hard hat area”, “do not cross”, allowed venue operational staff to screen off high risk areas as needed pre or post show.

6.7 Alcohol and Drugs

Most concert venues indicated that crowd disturbances that were alcohol related were few and far between. Where incidents did occur they were usually related to sporting events and often occurred in the streets surrounding the venue. Sporting venues such as those used for cricket, rugby and football had sought to introduce limitations on the number of drinks ordered at one time, identification checks to avoid service to underage, security staff employed to monitor queuing and quick response squads to intercede intoxicated patrons or groups of patrons. From 2006 the ICC (international Cricket Council) has moved to outlaw alcohol from being brought into cricket grounds worldwide. As the service of both alcoholic and non-alcoholic drinks is a major revenue generator at most venues this latest measure employed may be more to do with protecting profit and sponsorships than public safety.

In live music venues such as an Arena, managers cited that the crowds that drank more usually followed the rock and roll, metal and blues styles of music. These bands did not usually incite their audiences. Occasionally the punk, thrash

style bands presented some behavioural issues (mainly due to the younger demographic) but overall most venues encouraged alcohol sales. In all but four of the venues visited (usually the symphony halls) alcohol could be consumed inside the auditorium as well as in foyers. It must be noted however that all beverages alcoholic or otherwise were placed either in plastic cups, plastic glasses or Polyethylene Terephthalate (PET) bottles with the exception of the Boston Symphony Hall that allowed glass along with table service only on the floor of its venue during pops concerts.

Contrary to alcohol, drugs were considered more of a safety issue at contemporary music venues. With the abundance of illicit drugs now commonly available to concert going audiences several issues can arise. These include behavioural changes in an individual, or in a crowd. Also the ever present threat of an overdose and the medical response required to treat one needs to be carefully considered when a hospital maybe some distance from the venue. Although any event can have an issue with a drug related crowd it was considered the rave, dance, hip-hop culture that was more susceptible. Venue managers agreed that it was impossible to completely control this issue. Should the venue wish to accept a "rave"; the best practice was in taking steps to ensure the venue runs a barrier in allowing drugs being brought in. This sends both a message to patrons and any criminal element that wish to profit from the sale within the venue of illegal substances. This has been done through working in conjunction with the police force using trained drug sniffer dogs and amnesty bins at entrances offering patrons the ability to dispose of drugs if they are detected on that person by sniffer dog without the risk of arrest. Entertainment arenas that had hosted dance parties also invested in having chill-out areas, adequate water supplies, good ventilation and a full medical emergency team on site standing by.

7. Public Liability Insurance

Public Liability insurance is a major consideration for any promoter or venue hosting entertainment events. All businesses requires public liability insurance but in the case of concerts and events this insurance is often difficult to obtain and expensive.

The global market for insurance has changed significantly. The flow on effects of major catastrophes such as September 11 and money flows out of the insurance market into safer havens has diminished the number of available companies that are prepared to insure event risk and public liability. Insurance works through a chain system. The “buck ends” at an investor pledging money to pay a claim, a re-insurance company that organizers investors, insurers who organise policies and a venue who owns the risk. Furthermore in terms of insurance exposure, there is more money for lower graded insurance risks such as property, and less for public liability.

There has also been a consolidation of companies offering the cover in Australia with firms such as FAI and HIH no longer operating and companies such as NRMA, withdrawing from the public liability area. With less companies operating in this market it has created an environment where insurance companies are more selective in the events and organizations they are prepared to insure. Most insurance companies request more specific information and require more substantial documentation whilst adding more exclusion clauses to their policies. This could include not offering public liability coverage to hip hop, rave parties and rap artist shows. Part of the research process was to ascertain what level of increases had venues experienced and whether that had any correlation with their recent claims history. Usually premiums are set dependent upon the level of risk. The level of risk is based on whether all risks have been identified and the risk management plan that is in place at the venue.

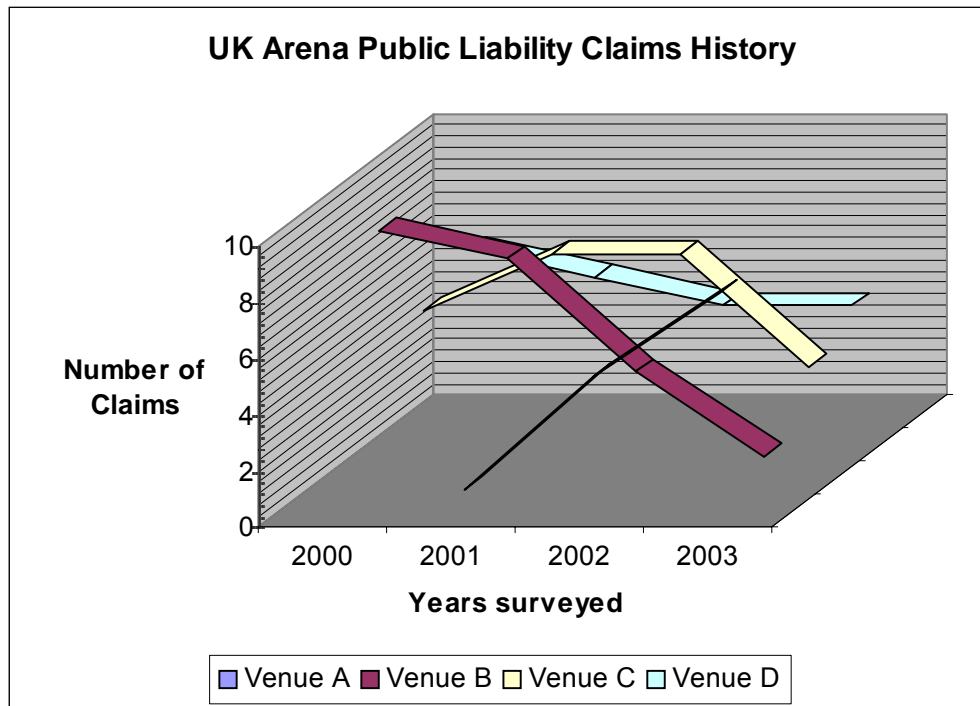
The outcomes of those venues interviewed appear to mirror the Australian experience where premiums have risen by over 100% per annum for two years before falling to a more acceptable rate of between 10% and 30%. Since the mid 90's there has been a change in community perceptions. With a steady rise in the rights of consumers through changes in legislation, active state and national councils for civil liberties and a range of excessive financial outcomes through court rulings, some areas of the community seem to view insurance claims as another form of “social service”. In its simplest form insurance is seen as a compensation scheme that is put in place to pay for something should it go wrong. The widespread use of the term “compo” in the modern Australian vernacular points to the increased incidence of payouts in the community. This has created a culture now where 75% of public liability claims are now disputed.

In the United Kingdom, there had been a small but noticeable rise in the number of nuisance claims against some venues but overall the trend for defensible claims (requiring legal intervention) was down. It was suggested by some venue managers that the possible increase in nuisance claims had coincided in the deregulation in the legal profession that had allowed UK legal practices to advertise for business. The main tenet being the “no win no fee” system. Euphemistically referred to as the “ambulance chasers” this has created many opportunistic claims for slips, trips and falls. These types of claims appear to be the most common type of claims in all venues surveyed worldwide. Many UK venue executives mentioned that they were concerned that the UK was looking to follow the litigious nature of the US. Although the US appears to be a more litigious society, the venues I interviewed indicated that at least in the case of arenas, the opposite was true and that most US venues had experienced a drop in claims against their venues.

It must also be pointed out that not all claims made against the venue gain momentum. Many nuisance claims are “knocked out” by venue management through reporting and story discrepancies, viewing of video footage from CCTV and denial of claims. If a minor transgression has occurred and the venue could be seen to be in breach of its duty of care, often a non legal remedy through the issuance of ex gratia tickets, refunds and minor cash payments can insure an expedient settlement for the benefit of both parties.

Not all companies were willing to share their data but on the basis of four venues that did it was staggering to see how few public liability cases there were. Each of the venues that completed the survey averaged between 750 000 and 1 million patron visitations each year. It was testament to the strategies employed that all but one recorded significant decreases in claims for 2003 and claims for all but one venue numbered less than 5 in that year.

The graph below indicates the recent claims history of 4 major UK entertainment venue.



Based on interviews conducted, since 2001, public liability insurance premiums for venues have more than doubled. My research has uncovered that the rise has little to do with claims history and much more to do with market forces, as most venues have seen a significant decrease in claims against them.

Although the costs have levelled off slightly in the past 12 months, all venues have been questioning the level of the rise that they have been forced to absorb and have been trying to find a way to pare the cost down. The costs are not inconsiderable as some venues interviewed are now paying well in excess of \$100 000 per year for insurance coverage. Of the venues surveyed maximum payouts claimed in the last 4 years in the UK had been settled at no more than £10 000 per claim and often considerably less.

How does a venue minimize the exposure to high premiums and claims? Based on feedback received from several venue managers the following suggestions were considered the focus. Some of these points appear to be commonsense but it was surprising to see how few venues were prepared until recently to challenge brokers or test the market.

7.1 Revisit broking habits

Revisit broking habits. Shop around. Look for corporate sponsors or business partners that offer insurance services to assist in this area. South Australia's Football Park tie in with insurance giant AAMI is an excellent example of this.

7.2 Increasing the excess

Analyse the excess. There is a principal that exists in most insurance agreements that offers an increase in the excess to reduce the premium. Several venues have embarked on a doubling of their excess. This has seen excess established at up to US\$10 000 or £10 000 before a claim is activated.

This practice should allow enough leeway for venue management to work within an established framework to manage many nuisance claims avoiding insurance company delays, expensive litigation and future premium increases.

7.3 Create a claims database

Creating a claims database, which gives a past history of all filed claims against the venue. Details gathered include the claimant, the date and type of claim, the outcome of the claim and if a settlement was paid how much and any conditions that applied. This will allow statistics to be gathered on how many claims per annum have been filed and what was the quantum in terms of settlements. Further it offers the ability to track repeat claimants.

7.4 Delegate liability to promoter of the event

There appears to be a trend appearing which is a change in venue public liability insurance responsibility. This is indicated by the rise in "four wall" insurance indemnity.

Although it is relatively new, it occurs mainly in "A" markets. An A market is one that has a proven record of high attendance located in a large catchment area. This city usually has a higher disposable income and the venue utilized is established in that market and features a previously strong record for success.

This concept first came about with the rise of high-risk motorsport activities held in public arenas. These were events that the venue was not initially designed to hold such as events such as Monster Trucks and Motorcross. The four wall indemnity offered venue owners and managers the ability to completely absolve themselves for issues arising from the exposure from hosting such events. The mechanism was that the venue was named on the insurance policy that the promoter was to take out and that no issues arising from the event would refer to

the venue. This included absolving the management and staff of the venue through any possible acts of negligence.

An example of the requirement is:

“The insurance will name (Arena name) and their respective employees, officers, agents and other representatives as additional insured’s. The promoter must furnish certificates demonstrating compliance with these requirements prior to the event. The promoter agrees to indemnify, defend and hold harmless (Arena name) and their affiliates, and their respective employees, officers, agents and other representatives from any claim, loss or damage arising out of the event and all activities related thereto.”

Firstly occurring with motorsport events such as Monster Trucks and Supercross, once the precedent was set the venues then set about to make it a condition of hire to all hirers/promoters. Not all promoters were willing to work within this almost unconscionable environment. So a waiver was sought and sometimes given that “unless by the acts or omissions of staff” would the venue be sued for negligence.

It must be stated that the four wall principal is now established in some of the major states and venues in the USA including venues in New York, Philadelphia and Los Angeles. These cities have a large population base and some venues are iconic in the touring circuit. Therefore the promoter needed the venue to make the tour work, not the other way around. It is not a commonplace clause in arena contracts as yet in the broader US and UK but points to an interesting divergence from venue liability coverage.

7.5 To prosecute fraudulent claims

Through proceeding with an action for prosecuting fraudulent claims the investment in a test case if proven would act as a deterrent for future opportunistic claims. This would serve as a warning to any possible future claimant that the venue is not only vigilant in defending any claim they are also prepared to act if an individual is attempting to defraud. Several venues have discussed this option and managers were interested but none surveyed so far had proceeded due to the administrative time and costs involved with an action.

8. Conclusion

In conclusion there appeared a great willingness by all venues to ensure that constant improvement was made to public safety and risk management practices. Although there are similar standards employed across venues in the nations I visited there were often differences in the detail. I was satisfied that my employer, the Adelaide Entertainment Centre had in place a sound policy and procedure framework. This could only be strengthened by the findings from the study fellowship. My aim is to seek endorsement of policy and operational changes that I have noted in this report with a view to implementing them in the venue. I found that there was something new that I gained from each visit and interview that could be added to the bank of knowledge. I found that beyond risk management strategies there was also vital data gathered in terms of public liability claims experience. This information is often very hard to ascertain unsolicited, I was grateful for those that offered their experiences.

Public liability insurance has been a topic of conversation in most public entertainment venues for several years now and it was evident that it is an area that is still current as each venue manager seeks to improve their venues response to exposure to this risk. The main reason for the renewed interest is that the premium rises that each venue has faced has required a review of venue policy and procedures. Key elements that were notable from the report include the rise in 'four wall' indemnity, claims registers, making brokers work harder and defending claims, especially through the use of closed circuit television.

I will look to advance the dissemination of this report via the Venue Management Association (Asia Pacific) to ensure that other venue managers can review the contents herein and apply elements to their environment should they deem necessary to do so. After visiting the UK and USA perhaps the most telling difference between Australian venues is the heightened awareness of venue security both in and around the centres whilst events are underway. It appeared that this initiative is very much to do with the changing times in which we now live and Australia cannot be seen as immune.

I found the Winston Churchill Fellowship an excellent opportunity to gain new learning and insight into these areas of my vocation. I trust that beyond the benefit to my employer and myself others within the Australian venue industry can also benefit.

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