

Major Events Management Act 2007 - part 1

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With the Rugby World Cup 2011 hype starting to build and various other events being deemed as 'major events' it is important that local businesses and individuals are aware of their rights and limitations under the Major Event Management Act 2007 ("the Act"). We will be presenting a series of articles setting out issues which may be of concern to both our local and international clients – whether business owners, residents or event attendees.

In our first article we discuss what is considered to be a major event under the Act and look at the area of ticket scalping.

What is a Major Event?

A major event is any event which has been declared such by an Order pursuant to the Act. So far the following have been declared major events:

- FIFA U17 Women's World Cup 2008
- FIBA U19 World Championship 2009
- U19 Cricket World Cup 2010
- World Rowing Championships 2010
- Rugby World Cup 2011

Any Order is made by the Governor General on the recommendation of the Economic Development Minister after consulting with both the Sports Minister and the Commerce Minister.

Ticket Scalping

People planning to make a profit by buying bulk tickets to Rugby World Cup games and

selling them on at a profit to desperate (but ticket-less) fans, will have to cancel their luxury world cruises - under the Major Event Management Orders there are now laws in place to stop what is commonly known as “ticket scalping”.

Under the Act you are able to on-sell your tickets to major events to other people. However, it is prohibited to knowingly sell or trade tickets to major events for more than the original sale price for which they have been purchased.

So, while you won't be prevented from making group bookings for family and friends and being reimbursed for the tickets, you will be prevented from selling tickets on TradeMe to the highest bidder (unless the highest bid is less than or equal to the price which you paid for the ticket).

The original sale price is defined in the Act and includes “charges necessary to effect the sale or trade of a ticket”. So, for example, if courier costs had been incurred in buying the tickets these costs could be passed on as part of the original sale price.

Under the Act “sell or trade” means any transaction “regardless of its form” where the sale or trade of the ticket for more than its original purchase price is the substantial purpose of the transaction.

Tickets may be sold or traded for more than the original price of the ticket if you have the authorisation of the major event organiser.

Anyone who is convicted of the offence of knowingly selling or trading a ticket to a major event for more than the original price of the ticket under the Act is liable to a fine not exceeding NZ\$5000.