

The Committee Secretary  
State Development, Infrastructure and Industry Committee,  
Parliament House  
George Street,  
Brisbane. QLD. 4000

Submission No. 003

11.1.26

15 September 2014

September 15, 2014

Email: [sdiic@parliament.qld.gov.au](mailto:sdiic@parliament.qld.gov.au)

Dear Committee Secretary,

Please find attached a submission from Ticketmaster to your Committee's inquiry into the Queensland Major Events Bill 2014, specifically our concerns with Subdivision 2 Resale of Tickets.

We draw your attention to two recent reports into the issue of ticket scalping and ticket onselling (Senate Economics Reference Committee Report March 2014, and the Treasury Report of November 2010) which both found that ticket scalping was not of the scale in Australia as to require legislative intervention. The 2010 Treasury report also noted that there were few sold out events in Australia each year to be of concern. Ticketmaster gave evidence at the recent Senate Committee hearing, and provided an extensive submission. Accordingly, I am also willing to answer any questions your committee might have in regard to this issue.

Ticketmaster is a worldwide leader in the sector, and provides ticketing, marketing, eCommerce and entry management solutions to a wide variety of leading arenas, stadiums, performing arts venues, museums and theatres as well as major events and festivals.

Ticketmaster supports any measure that gives consumers the opportunity to purchase tickets with confidence. This includes undermining any scalping operations and ensuring a safe ticket selling market. Our experience is that ticket resale is often wrongly confused with scalping. Fans deserve access to the full choice of available tickets at any point in time, as well as a safe and reliable marketplace in which to sell unwanted tickets. Ticketmaster inherently believes that the best way to protect consumers, stop scalpers and curb the growth of unscrupulous secondary sites is to lead the ticketing stakeholders in a united approach on this issue by providing a safe and reliable resale service and implement industry-wide self-regulation measures. Legislative intervention will undermine rather than support these efforts.

Ticketmaster representatives would be please to appear before to discuss the issues outlined in this submission.

Yours sincerely,

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## Company Overview

Ticketmaster Australia is part of Ticketmaster Australasia Pty Ltd, wholly owned by Ticketmaster the largest global event ticketing company serving more than 10,000 clients in 18 global markets. Ticketmaster provides ticketing sales, marketing and distribution through [www.ticketmaster.com.au](http://www.ticketmaster.com.au), numerous retail outlets and an owned and operated Contact Centre.

We have offices located in Melbourne, Sydney, Perth, Adelaide and Brisbane. In January 2010, Ticketmaster Entertainment merged with Live Nation creating the world's leading live entertainment, eCommerce and ticketing company. Live Nation Entertainment incorporates four major market leaders:

- Ticketmaster.com is the global event-ticketing leader and one of the world's top five eCommerce websites.
- Live Nation Concerts produces over 20,000 shows annually for more than 2,000 artists globally.
- Front Line Management Group is the world's leading artist management company comprising nearly 200 major artists and more than 80 executive managers.
- Live Nation Network is a leading provider of entertainment marketing solutions delivered through live event and highly sophisticated digital platforms.

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## *What is a secondary ticket market?*

Ticket scalping is often confused with ticket resale. Ticketmaster's experience is that there is a market demand for ticket resale in Australia, as there is globally. Ticket resale websites have been established to meet this demand. Recently, Ticketmaster responded to customer demands to provide a ticket resale service in Australia.

Tickets are a finite resource and increased marketing and access for consumers means demand for high profile events will always outstrip supply. Events sell out because of this high demand, not because the resale market exists.

## *Customer perceptions, at a glance:*

- 33% of event attendees are buying resold tickets, but are predominantly driven to non-specialist market places or offline.
- 56% of people expect for Ticketmaster to offer secondary tickets directly on the Ticketmaster website.
- 62% of event attendees would be more likely to buy from a Ticketmaster owned website than from a competitor.
- 84% of people support Ticketmaster's decision to have secondary tickets on the Ticketmaster website.

## *Resale is what fans want:*

- The resale market is borne by market demand: a need from fans for a platform in which tickets can be bought and sold.
- True consumer protection will come from offering better consumer experiences, not limiting their choices. Fans need better choices for purchasing tickets than from scalpers. Fans should have a platform that is safe, secure, lawful and guarantees their money.
- The resale market can be advantageous to artists and venues – no one wants empty seats. Tickets cannot easily be returned by fans if they find they can no longer attend a concert, for example. Resale is a solution to this common problem. Resale allows access to events that are not presently available through primary distribution channels and the option to resell unwanted tickets.
- For sport events, the resale market allows fans to maximise the use of their season tickets. People feel more comfortable committing to a season ticket when they know that they can give it up or resell the right to use it for certain events.

## *The principles of resale: providing for and protecting the consumer:*

Ticket resale must be based on principles that are fair to fans and artists:

- **Fan promise:** A money back guarantee and maximum effort to fulfil tickets
- **Transparent:** Clarity to fans on face value price
- **Lawful:** Be fully compliant with relevant laws
- **Actively counter malpractice:** Drive the use of automatic bulk-buying ticket programmes out of the market, and investigate with a view to cancelling tickets if they are suspect
- **Technological:** Embracing technological and social change to the benefit of the sector, ensuring that fans can access tickets
- **Supporting clients:** Developing bespoke offers to meet promoter and artist needs
- **Stop speculation:** Ensure tickets that are on our site truly exist

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## *What Ticketmaster brings to the Australian market:*

The Ticketmaster hosted resale website provides:

- **Integration:** We have integrated our existing primary and resale offerings and are continuing to deepen this process. This ensures that consumers will only be directed to a resale ticket when the primary sale has exhausted.
- **Investing in technology:** We ensure every ticket holder has a convenient way to resell their own tickets through a simple and reliable online/mobile resale solution that meets the highest standards in user experience and online security.
- **No Bots:** Ticketmaster has a zero tolerance approach to bots and invests heavily in technology to counteract the practice. Globally, Ticketmaster block 15,000 IP addresses each week (780,000 per year).
- **Customer protection:** In the US, Ticketmaster employs technology that authenticates barcodes to stop fraud. This is a technology that we are planning to adopt in Australia as soon as possible.

In addition:

- Sellers who advertise tickets they cannot deliver are blocked and banned from using the site.
- There is 100 per cent Fan Guard, whereby if a problem with a ticket bought on Ticketmaster Resale arises, then we will provide a 100 per cent refund to the purchaser
- Face prices are shown on tickets.
- Ticketmaster will provide the best in class customer services.

As the leading ticketing agent, Ticketmaster has a substantial interest in stopping individuals from siphoning tickets off the primary market. Unlike pure resale market players, we use data obtained in primary and resale markets to stop the practice.

Being a primary ticketing agent, we have the unique ability to authenticate and reissue barcodes for tickets. This minimises fraud. Ticketmaster is the only provider that can offer a fully integrated offering. Ticketmaster relies on the best technology and most trusted support system.

Ticketmaster's view is that whilst challenges exist in the resale market, it is the market that will rise to these challenges, or run the risk of implementing unenforceable legislation and pushing the industry underground.

Self-regulation is better than burdensome legislation which risks pushing the market underground. Reputable sites will be undermined by those unscrupulous sites that move offshore to avoid regulation.

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## Proposed Queensland Legislation:

Ticketmaster notes the findings of two exhaustive reviews into ticket scalping/ticket onselling that recommended no need for legislative action; the March 2014 Senate Economics References Committee Report<sup>1</sup> and the 2010 Treasury Report<sup>2</sup> into the ticket on selling market in Australia. Both reports noted that ticket scalping was not a major issue in Australia requiring legislative redress.

As the 2010 Treasury report into onselling of tickets noted, the ability of a consumer to use technology to sell unwanted tickets has meant a ‘reduction in the distinction’ between scalping and onselling.

*“Technology has given consumers the opportunity to engage in onselling to sell unwanted tickets. CCAAC found that there has been a reduction in the distinction between ‘ticket scalping’ (reselling with the intention to profit) and ‘opportunistic onselling’ (reselling a ticket originally purchased for personal use). People who may appear to be scalpers are often consumers who for one reason or another cannot use a ticket.”<sup>3</sup>*

Queensland’s existing anti-scalping legislation stands as an example for this problem as it has, from our point of view, proven confusing and counterproductive for consumers. It does not distinguish between consumers trying to sell unwanted tickets and scalpers. It therefore exemplifies the futility of regulation that is seen as unjust and unnecessary by the majority of event attendees.

The proposed legislation will only exacerbate this issue. Not only is it unnecessary, but also unenforceable in a consistent way. It therefore undermines any industry efforts to create an Australian resale market in which consumers are protected as it forces consumers to use unprotected offshore sites.

A good example of a well-intentioned, but ultimately counterproductive, measure in the proposed legislation is the plan to cap prices for resold tickets at 10% above face value. We fully understand and support the intent to protect consumers. But the evidence is clear. Consumers prefer to sell tickets at a fair market price. This price is at times below, at other times above face value. Trying to interfere with this natural market mechanism will only have one consequence: the use of offshore sites.

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<sup>1</sup> Senate Economics References Committee Report into Ticket Scalping in Australia. March 2014. ISBN 978-1-74229-985-3

<sup>2</sup> CCAAC Ticket scalping report November 2010. ISBN 978-0-642-74659-7

<sup>3</sup> CCAAC Report. Page 9.



## Conclusion

As a leading, global ticketing operator, Ticketmaster has a substantial interest in stopping scalpers from siphoning tickets off the primary market and protecting consumers. But we sincerely believe that the proposed legislation does not serve this purpose.

Ticketmaster urges those seeking to regulate ticket resale to abandon outdated and nonsensical ideas of limiting consumer freedom by controlling resale prices as recommended in the current Bill. Such a notion not only undermines a consumer's right to choose, it also promotes a requirement that will be difficult, if not impossible to enforce. It also poses a risk to consumers by forcing consumers to unsafe offshore websites that are difficult to police and virtually impossible to engage should redress be required.

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