

# Triennial Review of Live Performance Australia Ticketing Codes of Practice

**Code Review Report** 

Dated: 18 December 2019

# INTRODUCTION

Live Performance Australia ('LPA') is the industry body for Australia's live entertainment and performing arts industry ('Industry'). As the industry body, LPA has developed the 'Live Performance Australia Ticketing Code of Practice - Industry Code' ('Industry Code'), and the 'Live Performance Australia Ticketing Code of Practice - Consumer Code' ('Consumer Code'). The Seventh Editions of each of these codes commenced on 1 October 2018 (together, the 'Codes').

The Codes promote industry self-regulation of ticketing for the Industry. Compliance with the Codes is mandatory for LPA's members ('**Members**') in respect of their participation in the Australian Industry. For entities that are not Members, compliance with the Codes is voluntary.

# BACKGROUND

Section 5 of the Industry Code and Section 9 of the Consumer Code requires a review to be undertaken every three years with the aim of improving and enhancing the Codes ('**Triennial Review**'). It is intended that the Triennial Review will take into account any significant changes in law, policy and practices that affect ticketing for the Industry.

It is a requirement of the Codes that the Triennial Review be undertaken by a third party, and Jennifer Huby of HWL Ebsworth Lawyers has been appointed for this purpose ('Code Reviewer'). As part of the Triennial Review, the Code Reviewer is required to:

- invite written submissions on the operation of the Codes and on any amendments that are necessary or desirable to improve the operation of the Codes; and
- undertake such other consultations as she or he considers appropriate.

At the conclusion of the Triennial Review, the Code Reviewer is required to provide this report ('Code Review Report') and make such recommendations as the Code Reviewer considers appropriate in relation to improvements or changes to the Codes.

# CONTENTS

This Code Review Report contains:

- <u>Section 1 Process:</u> a general overview of the process followed in undertaking the Triennial Review;
- <u>Section 2 Submissions and Response:</u> a summary of the submissions received and the Code Reviewer's response to those submissions; and
- <u>Section 3 Recommendations:</u> a list of the recommendations arising out of the Code Reviewer's preparation of this Code Review Report.

### 1.1 Invitation for Submissions

Section 5 of the Industry Code and Section 9 of the Consumer Code requires the Code Reviewer to allow a period of at least one month for Members and the public to make submissions. A notice inviting submissions was sent by LPA to all Members by email on 8 May 2019 and a notice was placed on LPA's website on the same day. A copy of the notice is attached to this Code Review Report as Schedule 1.

The submission period for the Triennial Review ran from 8 May 2019 until 11 June 2019 ('Submission Period'). During the Submission Period, written submissions were received by the Code Reviewer from 5 parties, including LPA. The Code Reviewer also spoke with one of those parties in furtherance of its written submission (together, 'Submissions').

# 1.2 Completeness of Submissions

It should be noted that the issues and comments set out below in section 2 are a summary of the issues and comments raised in the Submissions and have been included by the Code Reviewer in order to provide a complete overview of the Submissions received.

Even if the Codes are not the appropriate place to deal with some issues raised in the Submissions, the Submissions on those issues are still of value as they indicate that additional education or training may be helpful outside of, or in order to enhance the understanding of, the Codes.

# SECTION 2 SUBMISSIONS AND RESPONSE

### 2.1 Introduction

The Submissions covered a diverse range of issues which related not only to the form and content of the Code, but also to current issues affecting ticketing for the Industry generally. A summary of the issues raised in the Submissions are set out below as well as the Code Reviewer's response to those issues. References in this Report to the 'ACL' are to the Australian Consumer Law set out in Schedule 2 to the *Competition and Consumer Act 2010* (Cth).

#	Submission	Code Reviewer's Response
1.		Ticket resale
a.	Many of the states and territories in Australia have specific legislation governing the resale of tickets to some, or all, live events in those jurisdictions. It was submitted that the Codes should be updated to outline each jurisdiction's laws in relation to the resale of tickets.	The role of the Codes is to provide codes of conduct for Members that operate alongside their legal obligations. As such, the Codes may not be the appropriate place in which to include summaries of legislation. There is also a risk that summaries of legislation in the Codes may become outdated if/when the legislation changes. However LPA may wish to consider providing a separate summary on this matter for Members.

ш	Culturia sia u	Code Paviewada Pasuara
#	Submission	Code Reviewer's Response
b.	Under some legislation, tickets may be resold provided it is for no more than a capped percentage uplift from	To the extent that this issue is governed by legislation, it is dealt with in the particular legislation and this can vary in different states and territories.
	the original ticket price. It was questioned whether other fees such as handling fees are factored into this percentage uplift and if not what is stopping resellers selling tickets within the permitted resale price but adding on large handling fees and other charges.	It is therefore not practical for the Codes to address this point for the same reason as specified in sub-clause 1a above. However this issue could also be included in a summary on resale ticket matters for Members as referred to in paragraph 1a. above.
c.	The Codes should specify the circumstances in which a Member may cancel a ticket that had been sold by an unauthorised ticket reseller.	Many of these scenarios will depend on state and territory based legislation as well as a Member's specific terms and conditions. It is therefore not possible for the Codes to set out all the circumstances in which a resold ticket may be cancelled.
d.	The Codes should address which entity is responsible for policing the resale of tickets - e.g. consumers, venues, producers, ticketing companies.	It is not possible for the Codes to specify this as it will be up to the Members (and other Industry participants) involved in the event to determine this between themselves and may be a combination of entities. It will also depend on the nature of the resale issue as to which entity will be responsible. For instance, if it is a breach of the specific legislation relating to the resale of tickets or a breach of the ACL, the regulators may be involved or if it relates to a breach of the terms and conditions of sale of the ticket, then the ticket sellers and venues may be involved. In addition, consumers may report infringing practices to the regulators.
e.	The Codes could include sample legal wording that would permit a Member to cancel tickets that were resold without the Member's permission.	It is difficult to provide sample wording to cover every possible scenario where a Member may be entitled to cancel resold tickets, especially as these rights may also be governed by state and territory based legislation. Members should seek independent legal advice on this point. However some general guidance on this issue could also be included in a summary on resale ticket matters for Members as referred to in paragraph 1a. above.
f.	In some cases, a reseller may be appointed as an authorised reseller in respect of tickets to an event. A Submission was made that Section 12 of the Consumer Code - What are my Rights if I Bought my Ticket from a Reseller should acknowledge that an 'Authorised Seller' may include an authorised Resellers.	It is suggested that Section 12 of the Consumer Code should be amended in accordance with the Submission, to acknowledge this possibility.

#	Submission	Code Reviewer's Response
2.	Section 10 of the Consumer Code: Consumer rights; tickets as a good or a service	
a.	A number of Submissions said that Members have been confused as to whether the sale of tickets to live events constitutes the provision of a good or a service for the purposes of the consumer guarantees in the ACL. It was suggested that the Consumer Code should be amended to address this point. In addition, the consumer guarantees that apply to goods could also be included so that consumers are aware of those consumer guarantees in addition to the ones that apply to services which are currently included.	The generally held view is that a live event is the provision of a service. The sale of a ticket is an offer for the supply of a service (being the presentation of an event or show). In some cases, where food, drink or merchandise are included as part of the ticket price, there may also be a supply of goods, however this is likely to involve a minority of tickets sold.  Section 10 of the Consumer Code sets out the consumer guarantees which apply to a live performance event (as a service). Nonetheless, due to the instances of confusion, this should be clarified in the Codes as well as including the consumer guarantees that apply to goods.
3.	Section 13 Consumer Code: When I am Entitled to a Refund?	
a.	This Section should be amended to address circumstances where ticket holders may be entitled to a refund where the event itself has been significantly changed other than by a 'significant relocation', such as where the headline act at a concert (as opposed to a festival) is changed. In particular, <a href="https://consumerlaw.gov.au/MusicFestivals/">https://consumerlaw.gov.au/MusicFestivals/</a> states that consumers are entitled to a refund under the consumer guarantees where a music festival has a major change 'such as a headlining act will not perform' when this is not necessarily the position under the Codes.	Although it will depend on the facts of each situation to determine when consumers will be entitled to a refund, LPA's position has generally been that: a change in the headline performer at a concert will usually give rise to the right to a refund under the consumer guarantees; however the use of an understudy or substitute in a theatrical performance, the change in a support act at a concert and a change in one of a number of main performers of equal billing at a music festival will generally not give rise to such a right. In the case of a festival, it is considered that consumers generally attend a festival for reasons other than seeing a single band perform, however in some circumstances where there is one prominent headline act, this may not always be the case.  Consideration should be given to address this issue in the Codes as it has arisen a number of times in the past.
b.	Section 13 of the Consumer Code recommends that consumers should request a refund within 5 working days of an announcement of a rescheduled event or other event that may give rise to a right to claim a refund. A number of Submissions noted that the ACL contains no specified time frame and that the reference to 5 working days may mislead consumers as to their rights under the consumer guarantees in that they may think they have lost	The Industry's concern is that consumers should seek a refund in a timely manner. The Consumer Code states that the five working day period is not mandatory because it provides that consumers 'should apply for a refund not more than five working days after the announcement of the Event's relocation' and 'shouldendeavour to do so within five working days of the Event' in respect of complaints about an Event.  However, it appears that it is often not interpreted in this way and is considered to be an absolute time limit. However, the event organisers need to be notified as soon as possible, particularly prior to an event, if a

consumer no longer wishes to attend so that the

organisers have the opportunity to resell the ticket.

their rights if they do not make a

#	Submission	Code Reviewer's Response
	claim within 5 working days. It was also suggested that the Codes could give examples of types of situations where a refund may be requested with reasonable times frames given as examples, rather than specifying one recommended time frame.	Therefore, consideration should be given to clarifying Section 13 of the Consumer Code to confirm that any such claim should be made as soon as possible and removing the reference to 5 working days. In addition, examples of reasonable time frames in which to request a refund could be provided if possible to do so instead of specifying one time frame. In any event, any suggested time frames should be clarified as being recommendations only.
c.	Clarification could be provided as to when consumers are entitled to a refund under the consumer guarantees as a result of issues on the day of the event, such as staging issues. It was suggested that Section 13 of the Consumer Code should be amended to address this.	Section 13 of the Consumer Code does address a consumer's potential right to a refund when there has been an incident that has fundamentally affected the consumer's enjoyment of the event. Although it is not possible to set out all of the circumstances in which a full or partial refund may be required under the consumer guarantees in respect of such matters, incidents have arisen recently where: ancillary services at an event (such as access to food and drinks and bathroom facilities) are not adequately provided; the sound quality of the performance or visibility of the stage at an event has been less than expected; and patrons have been unable to access their booked seats. In such circumstances, partial refunds or full refunds may be appropriate where there has been a "drop in value" of the service the consumer received compared to the experience the consumer was promised and paid for. Consideration should be given to providing some further clarification in the Codes on these issues.
4.	Part C Industry Code: Tru	ust Accounts and Advance Ticket Proceeds
a.	The term 'Trust Account' can be confusing for Industry stakeholders given that the same term has different meanings in different industries.	It is acknowledged that there is no precise or detailed definition of 'Trust Account' in the Industry Code. Instead there is a general definition which refers to an account opened and maintained in accordance with section 11 of the Industry Code and that section includes a number of requirements as to the operation of such an account.
		Consideration should be given to:  (a) providing a more precise definition of a 'Trust Account' with further explanation as to its meaning in the context of the Industry; or
		(b) using the concept of holding money 'on trust' in the Industry Code instead of focussing on a bank account and providing further explanation about what holding money on trust means and entails.
b.	A Submission asked whether the provisions of Part C of the Industry Code, including Sections 11 (Trust Accounts) and 15 (Advance Access	Further feedback and information is required on the extent of the use of these new payment methods in the Industry and the terms which apply to them such as where funds are held and when and where they are

		7
#	Submission	Code Reviewer's Response
	to Ticket Proceeds) were currently adequate / suitable in light of new online payment methods such as PayPal and Stripe and whether those provisions appropriately reflect current practices in the Industry.	released; as well as whether the ability to pay consumer refund claims has been affected as a result. Following receipt of this further information, Part C of the Industry Code (Industry Protocol for Ticket Proceeds Received in Advance of Event) may need to be changed to address now and developing payment methods.
5.	Section 17 and 18 Industry Cod	le: Advertising Material and Fair Access to Tickets
a.	A Submission was received which suggested that consideration should be given to the following in relation to the advertising of events:  (a) if further dates <i>may</i> be released as a result of consumer demand, this fact should be disclosed in advertising materials;  (b) if further dates will <i>definitely</i> be released, these dates should be disclosed in advertising materials; and  (c) details as to venue capacity, the number of tickets that will be released to the public, and the stages in which that they will be released, should be disclosed in advertising materials,  on the basis that failure to disclose this information may artificially stimulate demand (which may constitute misleading conduct); and makes it harder for consumers to fairly access tickets which is also dealt with in Section 18 of the Industry Code.	Currently, Section 17(f) of the Industry Code states that advertising material does not need to notify consumers of potential dates for an event which may be released subsequent to the initial advertised dates which are contingent on consumer demand. Section 18 of the Industry Code also requires Presenters and Authorised Sellers to provide information about ticket pre-sale arrangements; disclose the categories of seats prior to sale; and disclosing anti-Ticket scalping strategies. There may be difficulty in requiring Members to disclose this information because of the number of possible scenarios involved and factors that may affect this. Whether additional dates are added, more tickets released or allocated dates are subsequently cancelled, depends on a number of factors including consumer demand, commercial considerations for the presenters, availability of venues and contractual provisions with artists and performers. It is unlikely to be practical to disclose all these influencing factors in advertising material. The key issue is that information disclosed in advertising material needs to be correct and not misleading (and also must not mislead by omission).  LPA may wish to obtain additional views on the practicality and necessity of including such information in advertising material and if there are any situations where a failure to do so could artificially stimulate demand or mislead consumers.
6.	Section 20 Industry Code: Price Representations	
a.	In respect of popular, high-demand events, it was submitted that full prices (or the full details of optional inclusions or mandatory fees) are not disclosed until the last possible moment, which may be when the consumer has entered into the ticketing website and is under time pressure to complete the sale. The Submission suggested that the full amount of ticket prices and all inclusions and extras should be	All mandatory fees should be disclosed up front as part of the ticket price as this is a requirement under the ACL.  The Industry Code may need to include further clarification and explanation on the obligation to disclose the full minimum ticket price up-front to consumers. Guidance on the consumer having sufficient time to select or decline optional inclusions may also need to be provided.

inclusions and extras should be

#	Submission	Code Reviewer's Response
#	disclosed and available for consumers to see outside of this time pressured environment.	Code Reviewer's Response
b.	It was submitted that descriptions of additional charges may potentially be misleading if, for instance, a charge for a consumer to print a ticket at home is described as a 'delivery charge' when this has no cost to the seller.	Section 20 of the Industry Code states that: 'charges must also be clearly indicated, disclosed or displayed up front with any price representation' and that 'all price representations made to Consumers must be clear, accurate and not misleading'. However if terminology is used which doesn't accurately reflect the charge, this may mislead and/or confuse the consumer and guidance on this issue should be given to Members in the Codes.
C.	The following sentence in Section 20 of the Industry Code should be deleted as the Industry Code is not the correct place to refer to the ACCC as it may give an incorrect impression to Members or the public as to the ACCC's role and involvement in the Code:  The Australian Competition and Consumer Commission provides online training on Misleading conduct & advertising and Pricing & unfair selling practices'.	A similar sentence also appears in the Consumer Code as follows:  More detailed information about the Consumer Guarantees can be found on the ACCC's website.  The Code Reviewer considers that it is important to direct Members and consumers to where more information can be found on these matters and this can be done on LPA's website rather than in the Codes. Therefore the Code Reviewer suggests that references to the ACCC be removed from the Codes and links to training and information available on the ACCC's website can be included on LPA's website.
7.	Section 20 Industry Code: Disclaimers	
	Section 20 of the Industry Code states that:  Disclaimers, conditions and limitations (particularly in small print) are unlikely to be sufficient to prevent an advertisement from being misleading or in breach of other relevant Consumer Laws.  Generic phrases such as "Additional fees and charges may apply" or "Conditions apply" should be avoided.  It was requested that approved	It is not possible to provide draft legal wording that would cover every scenario in the Codes. Members should seek their own legal advice on this question.  However LPA may want to consider offering some separate guidance documents to Members on common legal questions such as this with examples of disclaimers that are acceptable in certain circumstances.
	wording for acceptable advertising disclaimers should be provided.	
8.	Section 21 Industry Code: Conduct and Representations	
	The following part of Section 21 of the Industry Code should be amended as follows:  Resale Platform Operators must	The suggestion to delete the words marked for deletion seems acceptable. Under the Industry Code, the terms Authorised Seller and Resale Platform Operator are intended to identify the different functions performed by each, being the sale of a primary or secondary ticket.

# # **Submission** Code Reviewer's Response not use words, phrases or language that imply the Resale Platform Operator is the Authorised Seller, unless the Resale Platform Operator is in fact the Authorised Seller. Certain words and phrases (e.g. "official", "selling fast", cheapest in [location]", "less than [X]% of tickets left" and "sold out") in follow the deleted words. certain contexts may be considered misleading or deceptive. Resale Platform Operators must ensure that the use of such words or phrases and the context in which they are applied are clear, accurate and not misleading. Resale Platform Operators should include a clear and prominently displayed statement on their website and in advertisements that their Resale Platform sells Secondary Tickets. Add a further paragraph at the end as follows: To ensure the principles and practices detailed in Part D: Advertising and Ticketing, and so that conflicts of interest are avoided with the interests of Presenters, it is proscribed and forbidden that an Authorised Seller may be, or may be

Even if an Authorised Seller performs a function of reselling Tickets for consumers that can no longer attend an event, it would need to be clear as to which function it was performing at the time. The wording in the first part of Section 21 is to address circumstances where some Resale Platform Operators, which are not Authorised Sellers, have used misleading language to make consumers believe they are buying a primary ticket from the Authorised Seller, as is clarified in the wording which

There are Authorised Sellers which are currently associated with Resale Platform Operators. Legislation is in place in many states to allow for the resale of tickets subject to specific terms. Provided Resale Platform Operators comply with applicable legislation for the resale of tickets and other relevant laws such as the ACL, there is no legal grounds for prohibiting an association between Authorised Sellers and legitimate Resale Platform Operators.

#### 9. **Unfair contract terms**

When would specific terms within ticketing terms and conditions, such as the right for event organisers to change key aspects of the event, be an 'unfair contract term' for the purposes of the ACL.

associated with, a Resale

Platform Operator.

Neither Code currently addresses the 'unfair contract term' provisions of the ACL. Consideration should be given as to whether the Codes are the appropriate place to deal with this, noting that it would only be possible to provide general statements as to the operation of the unfair contract term regime. There are already many documents and guides on unfair contract terms in circulation, including one specifically relating to ticketing. Therefore a better option may be for LPA to refer to those third party documents or issue its own guidance documents.

#	Submission	Code Reviewer's Response	
10.	Inconsistent event terms	Inconsistent event terms and conditions with Code(s) and the ACL	
	Some terms and conditions for events are inconsistent with the Codes and the ACL. For example, some event terms and conditions may give the organiser the right to change significant elements of the event without recourse or state that tickets cannot be resold. This may not be consistent with the Codes or the ACL where a change of significant elements of an event may give consumers the right to receive a refund and tickets can legitimately be resold in accordance with specific legislation in various states. The Codes should be clear that the consumer guarantees under the ACL cannot be avoided or overridden by event terms and conditions and some event terms and conditions may constitute unfair contract terms under the ACL.	Further clarification may be need to be provided in the Codes on the application of consumer guarantees which prevail and cannot be contracted out of.  LPA may want to consider providing training or issuing guidance documents on consumer guarantees and unfair contract terms (as referred to above) with specific examples from experience in the Industry to give guidance to Members.	

# SECTION 3 RECOMMENDATIONS

The recommendations of the Code Reviewer arising from the Triennial Review are as follows:

# 3.1 Education and outreach by LPA

LPA should consider offering its own guidance materials and/or training or provide direction to third party materials on the topics of:

- (a) trust accounts and obligations with respect to the holding of advance ticket monies on trust for third parties;
- (b) disclaimers and the use of fine print in conjunction with the consumer guarantees;
- (c) unfair contract terms and consumer guarantees with specific Industry examples;
- (d) various state and territory legislation regarding the resale of tickets. In particular, a summary could include detail and clarification on: when a resold ticket may be cancelled by a Member and sample wording that can be used to notify consumers of this right; and what is included in any permitted percentage uplift on the sale price for a resold ticket (e.g. face value only or handling fees as well).

## 3.2 Further industry consultation

It is unclear from the Submissions whether or not there is a problem with the use of digital payment platforms such as PayPal and Stripe in respect of Part C of the Industry Code (Industry Protocol for Ticket Proceeds Received in Advance of Event). Whether use of these digital payment platforms is in breach of Part C of the Industry Code will depend on the relevant platform's method of operation and terms and conditions. LPA should seek feedback from Members as to whether they are aware of any such conflict and whether they have experienced any issues with providing consumer refunds as a result of the use of these payment platforms. It may be necessary to consider whether the Industry Code needs to be amended to reflect current Industry needs and practices, provided consumers are still adequately protected.

The timing of disclosure of all charges connected to the sale of a ticket was raised as a potential problem as consumers may not have time to properly consider the price of the ticket and all ancillary charges for high demand events when there is often a time limit on purchasing the tickets online. A Submission was also made as to whether Members should be obliged to disclose additional details of events, such as the number of tickets to be issued and additional event dates that may be released. There may be practical and commercial difficulties in doing so. Further consultation with the Industry would be required to assess the reasons for not disclosing such information, whether it is possible to do so and the effect it has by not doing so. Following that, consideration would need to be given as to whether the Codes should address any of the issues raised.

# 3.3 **Proposal to amend the Codes**

Subject to consultation in the Industry, the Code Reviewer recommends that consideration should be given to amending:

- (a) both Codes to remove references to the ACCC (and only provide links on LPA's website to training and information available on the ACCC's website);
- (b) both Codes to clarify that there are some situations and events where an 'Authorised Seller' may also perform the function of reselling tickets to that event when consumers can no longer attend the event, but in those situations it should be made clear as to which function it is performing at the time;
- (c) section 10 of the Consumer Code to clarify that the provision of an event to a consumer is typically the provision of a 'service' and not a 'good' for the purposes of the ACL;
- (d) section 13 of the Consumer Code to clarify:
  - (i) when consumers may be entitled to claim full or partial refunds under the consumer guarantees where matters have arisen during an event which affects a consumer's enjoyment of the event; i.e. there has been a "drop in value" of the service the consumer received compared to the experience the consumer was promised and paid for;
  - (ii) that consumers should seek refunds as soon as possible and remove the reference to 5 working days; examples of reasonable time frames in which to request a refund could be provided and any suggested time frames should be clarified as being recommendations only; and
  - (iii) when a consumer has the right to a refund when there has been a significant change to the substance of an event such as where there is a change in a prominent headline performer at a music festival;
- (e) section 20 of the Industry Code to include further clarification on the obligation to disclose the full minimum ticket price up-front to consumers and on providing consumers with advance notice or sufficient time to select or decline optional inclusions when purchasing tickets under a time pressured environment;
- (f) the Industry Code to provide guidance on the importance of correct use of terminology so that, for example, a term used to describe a charge accurately reflects the nature of the charge, so as to not mislead consumers; and
- (g) the Industry Code to confirm that Members should ensure that their standard form terms and conditions do not breach the ACL's 'unfair contract terms' and confirm that consumer guarantees prevail and cannot be contracted out of.

Further amendments may be necessary as a result of the Industry consultation recommended above.

# Calls for submissions Triennial Review on improvements to the Live Performance Australia Ticketing Code of Practice

A requirement of the Ticketing Code of Practice (Ticketing Code) is that every three years the Code Reviewer undertakes a review of the operation of the Ticketing Code and makes recommendations on improvements/changes to the Ticketing Code. As such, the Code Reviewer seeks feedback from Live Performance Australia (LPA) Members and the general public on ways the Ticketing Code could be improved or changed.

LPA will collect the submissions to provide to the Code Reviewer. Therefore, please provide submissions in writing to **Kim Tran**, LPA's Director, Policy & Governance:

- by email to <a href="mailto:ktran@liveperformance.com.au">ktran@liveperformance.com.au</a>; or
- by letter to Level 1, 15-17 Queen Street, Melbourne VIC 3000.

If you are unable to make a written submission, please contact Kim Tran at <a href="mailto:ktran@liveperformance.com.au">ktran@liveperformance.com.au</a> or (03) 9614 2000 and she will consider alternative options for you.

Submissions are due by Tuesday 11 June 2019.