

**14 February 2020**

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## **Ticket Resale Information Standard**

Live Performance Australia (LPA) welcomes the opportunity to provide feedback to the Treasury's proposed Information Standard for ticket resales.

### **1. ABOUT LPA**

LPA is the peak body for Australia's \$2.5 billion live performance industry. Established over 100 years ago in 1917 and registered as an employers' organisation under the *Fair Work (Registered Organisations) Act 2009*, LPA has over 400 Members nationally. We represent commercial and independent producers, music promoters, performing arts companies, venues (performing arts centres, commercial theatres, stadiums and arenas), arts festivals, music festivals and service providers (such as ticketing companies and technical suppliers). Our membership spans from small-medium and not-for-profit organisations to large commercial entities.

LPA has a clear mandate to advocate for and support policy decisions that benefit the sustainability and growth of the live performance industry in Australia. LPA has taken a longstanding position against illegitimate organised ticket scalping operations. We also recognise that it is important to allow consumers the opportunity to resell tickets in a legitimate secondary marketplace when circumstances change, and the consumer can no longer attend the event.

### **2. TICKET RESALE AND THE LIVE PERFORMANCE INDUSTRY**

According to LPA's Ticket Attendance and Revenue Survey, 26.27 million tickets to live entertainment events were sold in 2018. Limited data is available about onsold tickets. Despite this, the feedback we receive from our Members is that ticket reselling/scalping is a major ongoing concern. Ticket reselling and scalping (i.e. reselling for profit) affect all types of live events – from world renowned artists performing in stadiums to local acts performing in regional venues.

LPA believes consumer education is critical. In response to fraudulent ticket reselling and scalping, LPA developed and implemented a consumer education campaign, which it released in 2017 – 2018. The [Safe Tix Guide](#) and accompanying [video](#) are resources that help to educate consumers about the risks associated with buying tickets online. LPA also revised its Ticketing Code of Practice to include provisions related to the secondary ticket market.

### **3. LPA'S POSITION ON THE INFORMATION STANDARD FOR TICKET RESALES**

LPA believes it is important for consumers to have access to information that is clear, accurate and not misleading so that they can make informed choices about their purchases on ticket resale websites. As such, LPA welcomes the introduction of an Information Standard for ticket resale websites.

The feedback we received from our Members is that the live entertainment industry and its consumers will be positively impacted by the introduction of an Information Standard. Members support an Information Standard that will provide consumers with timely and easy access to accurate information about what they are buying and the source of their tickets. This means being informed about the ticket price and understanding that the ticket resale website offers a resale service and is not the authorised ticket seller.

#### **Total price**

The Information Standard notes the ticket resale website is required to inform the consumer of the total price they would reasonably be expected to pay if purchasing a ticket from the primary ticket seller. LPA seeks greater clarity on the definition of “total price”. This language is inconsistent with NSW ticket resale legislation and SA ticket resale legislation, which use the terminology of “original ticket cost” and “original supply cost” respectively. LPA urges, to the greatest extent possible, consistency across all related legislation in order to reduce confusion and simplify compliance by ticket resale websites.

Moreover, LPA notes ticket prices may fluctuate during the on-sale period in the primary market. For example, producers and promoters may offer a discount on tickets to encourage ticket sales or extend group discounts, or they may increase ticket prices based on demand. Consumers will make the most informed purchasing decisions if they are able to compare the actual price paid by a reseller in the primary market against the asking price (inclusive of all relevant fees and charges) in the secondary market. LPA believes the definition of “total price” should reflect the actual price paid in the primary market. LPA notes that it may be challenging for ticket resale websites to know the actual price paid for tickets in the primary market and are reliant on individual resellers to provide accurate information.

#### **Expectations of Information Standard requirements**

LPA notes that the Information Standard requires ticket resale websites to ensure certain information is “continuously displayed ... in a legible, prominent and unambiguous way”.

LPA believes these principles are open to interpretation. For example, would it be sufficient for the statement “This is a ticket resale service. You are not dealing with an original ticket

seller” to solely appear on the homepage? Or would the statement need to appear on each webpage as a consumer progresses through the transaction pathway?

In addition, it appears the requirements for continuous display are not consistent with those indicated in Google’s Advertising Policies for ticket sellers, which clearly explain the requirements inclusive of notification format and font size.

LPA believes Government should prepare guidance material on what constitutes “continuous display” that is “legible, prominent and unambiguous”. This will assist the live performance industry in understanding Government’s expectations for meeting these requirements.

#### **Event-based ticket resale services**

Some events (such as Splendour in the Grass, events as part of Dark Mofo and Mono Foma) offer a resale service once tickets to the event are sold out. The resale service is provided by the same ticketing provider as in the primary market. LPA seeks clarity as to whether the Information Standard captures these ticket resale services. LPA believes such services should not be bound by the display requirements of this Information Standard given they are authorised by and affiliated with the primary ticket seller or event organiser.

#### **Consideration of additional display requirements**

LPA believes further consideration should be given to additional display requirements in the Information Standard to increase transparency for consumers. LPA notes that in order for ticket resale websites to comply, this may depend upon individual resellers providing accurate information.

Additional display requirements could include:

- specific section/block, row and seat, if the ticket is for a particular seat, given different seats can have different values
- the type of ticket – e.g. general admission, A-Reserve, B-Reserve
- event date, time and venue/location
- any restrictions on the ticket – e.g. restricted view, concession, age
- whether the ticket terms and conditions restrict resale of the ticket
- other pertinent information – e.g. whether identification matching the name on the ticket is needed to enter the venue; whether the delivery of tickets will be delayed until closer to the event date.

## **4. ADDITIONAL ISSUES**

LPA would also like to raise additional industry concerns related to ticket resale.

#### **Chargebacks**

Many of our Members are witnessing increasing levels of chargebacks due to organised scalping activity. Scalpers are opening credit card accounts to buy event tickets, reselling these tickets at any price and then disputing the charges post event with the bank. This is an area of growing concern for our Members, which exposes the ticket selling industry to significant financial risk.

## Speculative resale

Speculative resale is the practice whereby a scalper (who does not 'own' tickets) advertises tickets at an inflated price through the secondary market and once a consumer has bought the tickets, purchases tickets from the primary market to then pass on to the unsuspecting consumer.

LPA is aware that this practice often occurs for well-known acts or long-running productions (e.g. Jimmy Barnes, musical theatre productions) and in locations where the event is unlikely to sell out quickly (e.g. regional areas). LPA is concerned about this practice because:

- From a consumer perspective – consumers may unintentionally pay too much for a ticket and/or may be deterred from attending any live entertainment event because they believe tickets to live entertainment events are cost prohibitive. The industry is particularly concerned about the impact of this practice on consumer confidence.
- From a commercial perspective – if tickets remain unsold in the primary market, producers/ promoters are not maximising their tickets sales and may not be able to recoup the costs associated with staging the event. The flow on impact is that producers/promoters may no longer be able to stage quality events which reduces the choices available to consumers.

LPA believes consideration should be given to providing greater consumer protections against speculative resale.

## 5. SUMMARY

In summary, **LPA supports the Information Standard**, but reminds Government that it will only be effective if properly monitored and enforced. The Information Standard needs to deter scalping, and Government needs to invest additional resources dedicated to active compliance, it will only spur such behaviour.

LPA supports transparency measures that offer the best protection for consumers and that help consumers understand what tickets they're purchasing and the source of the tickets. LPA further recommends:

- Guidance material be developed so that industry understands the expectations for meeting the requirements in the Information Standard;
- Criminal and/or financial repercussions for breaching the law to disincentivise illegal behaviour;
- Consumer education and knowledge about the risks associated with buying tickets in the secondary marketplace through the relevant government agencies; and
- Other issues, including speculative resale and chargebacks, are considered.

If you have any queries in relation to any matters raised in this submission, please do not hesitate to contact us.

Yours sincerely

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**ABOUT LPA**

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LPA has a clear mandate to advocate for and support policy decisions that benefit the sustainability and growth of the live performance industry in Australia.

**LPA EXECUTIVE COUNCIL**

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Australian Chamber  
Orchestra

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