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Dr Kathleen Dermody
Committee Secretary
Senate Economics References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Dr Dermody

Inquiry into ticket scalping in Australia

Thank you for the invitation to make a submission to the Senate Economics References Committee inquiry into ticket scalping in Australia.

Stadiums Queensland is a statutory authority established under the *Major Sports Facilities Act 2001* (the Act) to own and operate major sporting and entertainment venues in Queensland.

Its current venues are:

- Brisbane Cricket Ground (the Gabba);
- Suncorp Stadium;
- Brisbane Entertainment Centre;
- Cbus Super Stadium (Gold Coast);
- Metricon Stadium (Gold Coast);
- 1300SMILES Stadium (Townsville);
- Queensland Tennis Centre;
- Sleeman Sports Complex; and
- Queensland Sport and Athletics Centre.

Events at Stadiums Queensland's venues are subject to ticket scalping provisions in the Act, which were enacted by the Queensland Parliament in 2006. These provisions make it an offence to re-sell a ticket for the purpose of profiteering.



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great venues. good times.

Specifically, under section 30C of the Act, it is an offence to re-sell a ticket for an event at a Stadiums Queensland venue at a margin exceeding 10% more than the face value of the ticket, where the promoter's terms and conditions of purchase of a ticket allow for re-sale. It is also an offence to purchase a ticket from a re-seller at a price more than 10% above the original ticket price.

The legislation was introduced because of the growing incidents of people acquiring tickets to sold out sporting and entertainment events at Stadiums Queensland venues solely for the purposes of profiteering from the re-sale of those tickets. Many sports administering bodies and promoters made representations to the Queensland Government at the time consideration was being given to whether legislation should be enacted regulating the on-sale of tickets. These representations were to the effect that, in circumstances where demand for tickets exceeded supply, "genuine fans" were being prevented from attending events because of scalpers whose sole objective was to profiteer at the expense of those individuals.

Enforcement of the ticket scalping legislation is the responsibility of the Queensland Police Service and police officers are authorised under Queensland legislation to issue on-the-spot fines to anyone committing a ticket scalping offence under section 30C of the Act.

The ticket scalping legislation applies to any person (including a corporation) offering re-sale of a ticket to an event at a Stadiums Queensland venue. Police can issue an on-the-spot fine either in person or by mail, provided they have details of the person's name and address. Police can also prosecute offences through summary proceedings in a Magistrates Court. As with on-the-spot fines, a summons can be issued if police have details of a person's name and address.

Complaints about ticket scalping for an event at a Stadiums Queensland venue are handled by police. Stadiums Queensland understands that on-the-spot fines have been issued and people have been prosecuted through the courts for ticket scalping offences. If the Committee would like information on the number of complaints made to police, ticket scalping on-the-spot fines issued, or court prosecutions since the legislation commenced, contact could be made with the Queensland Police Service.

When the ticket scalping legislation was introduced in Parliament in 2006, there was provision made for a person to re-sell a ticket for up to 10% above the original ticket price, in recognition of the transaction costs associated with the re-sale, including postage. This provides for situations where a person, having bought tickets to an event, is genuinely unable to attend due to changed personal circumstances and that person is simply wanting to recoup the cost of the tickets and any transaction costs.

The ticket scalping legislation does not prevent a promoter from including in the terms and conditions for purchase of tickets a provision that enables the promoter to cancel any tickets that are advertised for re-sale, eg, tickets that have been purchased through the authorised ticketing agency for an event and then offered for re-sale online, whether at the same or at an inflated price. Such action has been taken by event promoters and sports administering bodies. This can act as a deterrent to ticket scalping, because it renders tickets advertised for re-sale as worthless. Where a promoter has cancelled such tickets, it is a matter for the promoter whether or not to also make a complaint to the police about ticket scalping, if the advertised ticket price exceeded the original sale price by more than 10%.



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The annual State of Origin rugby league events at Suncorp Stadium have been one of the main events where incidents of ticket scalping have occurred, because the event sells out very quickly each year and demand for tickets invariably exceeds supply. Bledisloe Cup matches held at Suncorp Stadium also sell out quickly and, as a consequence, incidents of ticket scalping have occurred.

Other sellout sporting events at Stadium Queensland venues where there have been incidents of ticket scalping include the First Ashes Test at the Gabba (the first two days usually sell out) and the A-League and Super Rugby grand finals, where the respective teams based at Suncorp Stadium have won the hosting rights. There are also a large number of sellout entertainment events at the Brisbane Entertainment Centre where there have been incidences of ticket scalping.

In recent years, a number of promoters responsible for sellout events have included a prohibition on ticket re-sale in the conditions of sale and that any re-sold tickets may be cancelled. In these circumstances, promoters have monitored the advertising of tickets for re-sale in order to cancel such tickets, where there is sufficient information available about the specific seat number of the ticket to enable this to occur. In this situation, it is important for consumers to be aware of the possibility that their funds may be lost and tickets cancelled if tickets are purchased from anyone other than the authorised ticket seller for an event.

There is nothing in the current ticket scalping provisions of the Act which directly assists promoters who decide to prohibit re-sale as a condition of the initial sale of tickets. The *Fair Trading Amendment (Ticket Reselling) Bill* introduced in the New South Wales Parliament in 2013 is a significant further development in this regard, because it prohibits advertising tickets for re-sale without including full details of the seat allocation shown on the ticket. Once this information is included in an advertisement for re-sale, it enables the promoter to cancel such tickets, where the conditions of initial sale allow this to occur. This is considered to improve the efficiency of monitoring the re-sale market by the promoters. It also drives home the point to any potential purchasers that the tickets have been recorded as re-sales and could be cancelled.

Promoters have also taken the initiative to help genuine fans get access to tickets for high demand events and reduce the possibility of unscrupulous companies buying large quantities of tickets through online sale processes for the express purpose of profiteering from ticket re-sale. Examples of the initiatives taken by promoters include pre-registration for tickets and placing a cap on the number of tickets that can be purchased online in one transaction.

As part of the preparations for the 2018 Commonwealth Games on the Gold Coast, major events legislation will be developed, similar to the major events legislation in Victoria, New South Wales and South Australia. It is expected this would include ticket scalping provisions, meaning venues other than those owned by Stadiums Queensland could come within the ambit of ticket scalping legislation. The final scope of any such legislation is a matter for the Queensland Government to determine, but it is expected the approach taken in the New South Wales *Fair Trading Amendment (Ticket Reselling) Bill* will be considered.

While State jurisdictions have taken the initiative in recent years to legislate in relation to ticket scalping, there are two areas where the Commonwealth could play a role.

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The first is in relation to misleading and deceptive conduct affecting consumers considering buying tickets through the re-sale market.

There are a number of online companies which have entered the market in recent years to re-sell tickets for high demand events. These companies include information on their websites informing potential buyers that re-sold tickets could be cancelled by event promoters, where the conditions of original sale of the tickets allowed this to occur. While these online companies may have met their legal obligations by making reference to the possibility that re-sold tickets may be cancelled by a promoter, there may be more that relevant Commonwealth agencies with responsibility for consumer protection can do to ensure consumers are better informed and not left under any misconceptions about the consequences of the actions upon which they are about to embark.

The second is in relation to enforcement of ticket scalping legislation, especially where online companies are operating in the re-sale market.

The Queensland ticket scalping legislation can be enforced in circumstances where online companies based outside Queensland have purchased tickets and offered them for re-sale, provided police have sufficient details to identify the name and address of the company. However, this can be time consuming and, in an environment of stretched police resources, the cost incurred in locating these on-line companies and investigating possibly illegal transactions exceeds the value of the amounts involved. The Commonwealth could, with the appropriate legislative and administrative instruments, assist the efficiency of such investigations. Commonwealth consumer protection legislation applies to such online companies and the relevant Commonwealth agencies would already have the capabilities needed to locate these companies if any breaches of Commonwealth consumer protection legislation have occurred. An exchange of information between Commonwealth and State enforcement agencies about the identity of such online companies could make it easier for State ticket scalping legislation to be enforced.

I hope these comments and observations are of assistance to the Committee.

Yours sincerely

Kevin Yearbury
Chief/Executive



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