

QUESTIONS TO THE MINISTER FOR FAIR TRADING

1. Dr JOHN KAYE: Am I correct in saying that the number of consumer complaints that the Office of Fair Trading received in 2012 was about 44,000?

Mr STOWE: Total complaints, correct.

Dr JOHN KAYE: Of those 44,000, how many related to the onselling or resale of tickets for sporting, cultural, entertainment or other events?

Mr ANTHONY ROBERTS: Look, it is funny: I am not sure that some of these are not questions that some of the online sellers have posed, but I will answer them. I would hate to lob The Greens in with professional scalpers and multinational secondary market ticket auctions.

Dr JOHN KAYE: Minister, it would be an extraordinary extrapolation for you to say that because I wanted to know.

Mr ANTHONY ROBERTS: No, not at all. They are just very similar questions.

Dr JOHN KAYE: It would be as extraordinary as my putting you in with some of the sporting codes. Can we just have an answer to the question, rather than a debate about the question?

Mr ANTHONY ROBERTS: Yes, certainly. So far in 2013 there have been 128 complaints to this area.

Dr JOHN KAYE: No, I am sorry. My question is with respect to 2012.

Mr ANTHONY ROBERTS: I am happy to take that on notice.

Ticket scalping is a long-standing issue and one with no simple solution. When tickets are bought from scalpers, it can be difficult to tell whether those tickets are genuine or copies. Even if the tickets are genuine, they may be cancelled if the conditions of the original sale prohibit the reselling of the ticket. From the point of view of event owners, sporting codes and performers, ticket prices are set in order to be accessible to fans, and this is frustrated by scalping.

NSW Fair Trading is aware that ticket scalping is a source of dissatisfaction for consumers. There is consumer concern about fair access to tickets, the transfer of tickets, and transparency in ticket allocation. When tickets, having sold out through official suppliers within minutes of going on sale, are immediately listed on secondary markets for several times the original price, consumer confidence in the ticket market is reduced and perceptions of unfairness increase.

Fair Trading has met with representatives of ticketing agencies, promoters, consumers, sporting organisations and online auction sites, to canvass their concerns about ticket scalping, to discuss possible solutions and ways to assist consumers to protect themselves from fraud and ticket cancellation, and to help event owners to control prices and access to their events. In doing so, a number of options have been discussed, including existing legislative regimes in Victoria and Queensland.

The majority of consumers affected by ticket scalping do not contact Fair Trading, but rather the sporting codes, event providers or ticketing agencies, meaning Fair Trading complaint data does not accurately reflect the marketplace sentiment.

However, we know the issue exists. In 2010, the Commonwealth Consumer Affairs Advisory Council (CCAAC) reviewed ticket onselling and its impact on consumers due to the long standing public concern about the practice of ticket scalping. The review report quoted a ticket scalping study conducted on behalf of Fair Trading by Newspoll in November 2010. The report noted that the study found the majority of the consumers surveyed disagreed with the practice of ticket scalping and believed that some form of action to prevent scalping

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should be implemented. Of the 332 respondents surveyed by Newspoll, 73% thought ticket scalping should not be allowed and only 56% were aware that event organisers may refuse entry to a person with a ticket bought from a scalper. Despite such evidence, the CCAAC review report ultimately did not recommend regulation in this area, finding that the level of unauthorised onselling in Australia is low. However, it is our view that this report is flawed in many respects. For example, the review report did not consider feedback from the sporting codes.

Football Federation Australia has stated that from December 2012 when the Manchester United versus A-League All Stars match was announced, to July 2013 when it was held, there were between 200-300 tickets being scalped on eBay on any single day. In one of the worst cases, two tickets with a face value of \$100 each were being touted online for \$840. Moreover, several people were refused entry to the match for having invalid tickets that had been bought online for vastly inflated prices.

This issue impacts all sporting codes, with the NRL confirming that tickets to the NRL Grand Final have been posted for sale on Viagogo at inflated prices, despite not yet having been released to the public. Likewise the ARU experienced significant problems with the recent British and Irish Lions tour. These are just a small example of the problem besetting the marketplace, and an indication of why the Government is exploring ways to protect genuine fans in NSW from being ripped off.

Fair Trading recognises that reliance on complaint numbers it receives alone is not an adequate approach to ensuring consumer protection in the marketplace. While it provides a useful indication of reported consumer detriment, it has limitations in being reactive, in that significant consumer detriment would have had to have already occurred before the problem is recognised, and is not helpful where underreporting to Government agencies is an issue, as in the case of ticket scalping.

That is why Fair Trading has adopted a proactive, intelligence led approach to marketplace monitoring, responding to concerns in a strategic way in order to take timely action to protect consumers. This new approach was on full display in Fair Trading's response to the Australian Vaccination Network (AVN) and synthetic drugs, where fewer complaints have been received by Fair Trading compared to ticket issues. These responses have had significant community support as have our actions on ticket scalping. The reliance on complaint statistics alone as an indication of when to take action to address problems would have meant no action being taken against AVN or synthetic drugs. These are two examples of the benefits of Fair Trading's new proactive approach to consumer protection.

Our proposals on ticket scalping have not gone unnoticed and I recently received a petition from the 'Stop Ticket Scalping in Australia' group supporting the Government's proposals to legislate in this area.

As it goes about developing a solution to this issue, the Government is focussed on increasing transparency in the marketplace. It is not focussed on removing the option of those unable to attend events to sell tickets, and would welcome industry initiatives to develop such a secondary market controlled by ticket operators. The Government is however keen to ensure that secondary outlet sellers and potential buyers are accurately advised of the terms and conditions at the sale of those tickets, including provision for possible cancellation.

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2. Dr JOHN KAYE: I refer to ticket sales. What will you do to protect ticketholders to whom I referred earlier, those consumers who purchased tickets and for whatever reason do not want to use them and want to resell them. What protections will you build into your legislation for those consumers?

CHAIR: We are out of time so you might care to take that question on notice.

Refer to Question 1.

END OF QUESTIONS FOR THE MINISTER FOR FAIR TRADING