

**Submission
No 7**

INQUIRY INTO FAIR TRADING AMENDMENT (TICKET RESELLING) BILL 2014

Organisation: National Rugby League

Date received: 23/10/2014



The Greatest Game of All

23 October 2014

The Hon Sarah Mitchell MLC
General Purpose Standing Committee No. 4
Parliament House
Macquarie St
Sydney NSW 2000

Dear Ms Mitchell

Submission to the Fair Trading Amendment (Ticket Reselling) Bill 2014 Inquiry

The NRL has been working with the NSW Government since 2012 in an effort to develop a best practice model to deal with the issue of ticket-scalping.

We are very supportive of the *Fair Trading Amendment (Ticket Reselling) Bill* (the Bill) and commend the NSW Government for its efforts to see the legislation passed.

There has been extensive consultation on the Bill, which was introduced into the Parliament in November 2013, almost 12 months ago. We understand that despite the previous 12 months of consultation and discussion the Legislative Council has referred the Bill to General Purpose Standing Committee 4 (GPSC 4) so that there can be close examination of the legislation and its objectives.

The NRL has met with members of the Government and Opposition to discuss various components of the Bill and we are hopeful of that the legislation will be passed by this Parliament. In addition the NRL has been working with the Coalition of Major Professional and Participation Sports (COMPPS) which has met with members of the Crossbench to discuss the legislation.

Throughout this consultative process the NRL, along with our colleagues from other sports represented by COMPPS, have indicated there is a need to provide our fans with protections from unscrupulous ticket scalpers. The Bill being considered by GPSC 4 helps create that framework.

The NRL is committed to providing its fans and members with a world-class, end-to-end match-day experience. Our fans want to be able to buy tickets to events in NSW such as the State of Origin and Grand Final, and have certainty that there will be affordable tickets and that they won't be victims of fraud.

There is significant time and research committed to developing our pricing strategies. For our premium content, where demand often is greater than supply, we need to ensure our prices compete with other sports and forms of entertainment, whilst trying to find the right balance between achieving a commercial return and ensuring accessibility for our fans.

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Unfortunately the practice of ticket-scalping whereby ticket scalpers purchase tickets for major events with no intention of attending the event, but rather selling them to the public at highly inflated prices distort our ticketing strategy. These actions can deny fans who cannot afford the inflated prices access to events and costs the NRL revenue which is re-invested into the game.

Furthermore, the NRL invests significant resources into our major events, which feature the world's best rugby league players and create spectacles that contribute significant economic benefits to Australia and New South Wales. It is only fair that as the event organiser, which bears the risk, we can see a return. Whilst the events may generate a return the NRL is a not-for-profit organisation, therefore any commercial return is ultimately re-invested into the sport, often into grassroots participation and development of our future stars. Any actions, such as ticket-scalping, which reduce our ability to generate a return from our major events, will ultimately cost the grassroots rugby league.

The legislation which is subject of this GPSC Inquiry will better protect our fans from ticket-scalping. Section 59(2) of the Bill requires anyone reselling tickets to a sporting event held in NSW to specify the ticket number, bay number, row number and seat number of the ticket if the ticket has been issued and includes such numbers. In addition section 59(5) requiring the advertisement to contain a photograph of the ticket that clearly shows any ticket number, row number and seat number, but not show any barcode on the ticket. These measures will help prevent our fans from being victims of false information that is sometimes provided by unscrupulous ticket-scalpers.

The NRL understands that in some circumstances there will be genuine reasons that someone cannot attend an event for which they purchased a ticket. In these circumstances we believe it is reasonable for the person to onsell their ticket. Section 59 (6)(b) of the Bill should enable this to occur. We believe the best mechanism to do this is through the original ticket seller, many of which, including Ticketek and Ticketmaster, now allow a secure re-sale program within their system where a purchaser is no longer able to attend the event.

Through our extensive consultation the Opposition raised a concern that the Bill as drafted may not enable the seller to recoup the costs associated with the purchase of the ticket, such as the booking fee. The NRL has indicated that we would support an amendment to the Bill that enables the onseller in these circumstance to recoup the cost of purchasing the original ticket.

The NRL's primary concern is stopping the practice of tickets being re-sold in the secondary market at grossly inflated prices which may prevent our passionate fans from attending our premium matches such as the Grand Final and State of Origin.

The owners of public forums that contain unauthorised advertisements should take reasonable steps to remove such content and protect fans from unscrupulous ticket-scalpers. We support the provisions within section 60 of the Bill which seeks to stop unauthorised advertisements appearing on public forums.

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It's important that GPSC 4 conduct its Inquiry as quickly as possible, so that this Parliament has an opportunity to legislate the protections needed for our fans and our sport. Whilst this legislation has been in the process of development and debate there are some pertinent examples of ticket-scalping that have been reported.

The 2014 NRL grand final was a sell out and set a new crowd record for ANZ stadium in its current configuration. Unfortunately there were a number of recorded incidents of ticket scalpers taking advantage of the demand. Reportedly one ticket reseller was trying to sell eight tickets in the bronze section, where tickets were valued at \$80, on ticketing website Viagogo for \$893 per ticket, more than eleven times the face value of the ticket. On eBay, one user was offering a four-pack of tickets for \$2999; an extreme mark-up on the \$380 diamond ticket (Sydney Morning Herald, 1 October 2014, Scalpers asking for fortunes as NRL grand final tickets sell out).

For the 2013 NRL Grand Final, the first release of tickets occurred in early August. A patron joined a number of different clubs as a member in the week prior to the first member release. This gave him a number of unique codes he could use to purchase a bulk number of tickets. When tickets were released he purchased 110 tickets across most categories, with the majority in the top category at \$345 per ticket. The patron used fake names / postal addresses for his ticketing accounts, but used the same credit card for each transaction, which is how NRL flagged the issue initially. The only real details that were used were the credit card and email addresses, so ticket delivery could occur. No details matched his memberships.

The same day he purchased the tickets, they all appeared on eBay at heavily inflated prices – some 250% higher than face value for the starting bid. He attempted to hide the ticket details from the auction site, however enough information was available to allow NRL to marry up his tickets to the ticketing system. When contacted the patron said the tickets were for family (which made no sense as the tickets were instantly put out publicly to sell). Based on this information, NRL cancelled the tickets and informed the patron. NRL also informed eBay who promptly removed the pages down and cancelled his accounts.

However, come match day, approximately 45 person holding these tickets attempted to gain entry. All these tickets were purchased from a range of online auction sites and sales outlets, and in some cases the same ticket was sold multiple times. All these patrons had paid above face value, and many were forced to leave or purchase a legitimate ticket from the box office. It is here the sports witness first-hand the impact these practices have. The patrons suffer great financial loss, emotional stress and disappointment, and the entire process reflects badly on the sport, ticket agent, on-line auction sites and the venue.

The NRL encourages GPSC 4 to consider the need to protect rugby league fans from the actions of unscrupulous ticket-scalpers and to allow our sport to generate a return from our major events so that we can re-invest those returns into growing the game.

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Should the Committee require any further information please contact the NRL's Head of Commercial, Paul Kind,

Yours sincerely,

Dave Smith
Chief Executive Officer

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