

## **Senate Hearing into ticket scalping in Australia**

### *Answers to Questions on Notice*

#### **1. eBay submission:**

Ticketmaster was asked to comment on recommendations contained in page 20 of the eBay submission, specifically:

##### **1. Stagger ticket releases:**

Such a move would not be helpful, and indeed, is more likely to increase the chances of ticket scalping.

Even if staggering sales could be done fairly and equitably, and there are doubts about this, it will only create perceptions that supply is limited and could therefore create more demand (and drive the price up even further). If there is excess demand there is excess demand, and supply is finite.

##### **2. Limit the number of tickets a person can purchase:**

This is already in place. All events where high demand is anticipated have ticket limits set by the promoter and, sometimes, the artist. If demand catches the promoter unawares and there are subsequent events scheduled, a ticket limit will be applied from the presale/on sale of the new event.

##### **3. Increase Transparency on the Primary Ticket Market**

The competition for high profile events is fierce. Whilst we agree in principle that more transparency is always better some of the information listed would create a commercial insight to competitors for the same or similar events.

##### **4. Reduce ancillary costs:**

We are certain that eBay's customers would welcome any reduction in fees and costs it charges. However, Ticketmaster's ticketing fees are already extremely competitive, with servicing costs only partly covered by these fees. Such a comment is an unhelpful exercise in finger-pointing and not at all constructive in this process.

With all due respect to eBay they would have no insight to the economics of venue and promoter deals, and which fees pay for which services. Ticketmaster is forced to cover its operating cost via the fees that are applied at the direction of its clients.

## **5. Provision of refunds:**

In principle this is a sound recommendation. However the nature of the industry does not allow refunds because promoters are required to pay artists 'up front'. The solution therefore is a vibrant, transparent secondary market.

The live entertainment industry is unlike any other retail in so far that every seat purchased is not of the same quality as others in the venue. Therefore, allowing refunds has the potential of enticing patrons to keep returning and buying tickets for new performances of the same event. This would cause untold problems for promoters and producers who guarantee artists fees and venue rental many months ahead of the event.

- Ticketmaster agrees with eBay's recommendation for further research and an examination of the secondary ticket market in international jurisdictions.

**2.** With respect to the request on page 8 of the Transcript, that is, to provide an analysis of legislation worldwide that has been problematic. Ticketmaster's comments are as follows:

Experiences in other jurisdictions have proved that anti-scalping legislation is at best ineffective, at worst hurtful because it pushed the demand off-shore and underground.

Examples in this context are France and the United States. In France legislation that is not dissimilar to the legislation proposed in NSW has simply driven the market offshore (see <http://www.viagogo.fr>).

In the US, the anti-scalping state legislation in place has proven so detrimental to the consumer experience that many states have decided to repeal those laws. The latest state that is in the process to repeal anti-scalping legislation is Michigan (<http://heartland.org/policy-documents/research-commentary-michigans-scalping-law>).