

The Honourable (Dr) Sally Talbot MLC
Legislative Council Committee Office
18-32 Parliament Place
WEST PERTH WA 6005
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31 July 2019



Reference:

Standing Committee on Legislation - Inquiry into the Ticket Scalping Bill 2018 - Invitation to provide submission – Ref A764711

Dear Minister

Thank you for your invitation in allowing us to make a submission.

Epic Tickets are a local Western Australian Ticket Broking Business, based in Leederville. I am proud to have been born and bred in Western Australia, where I have been lucky enough to have been given the opportunity to start a successful business. This is our family business where my wife Vanessa and I manage and operate the business, and it provides the sole financial support for our family of three, which will become four in January of next year.

We have been involved in this industry for over ten years. At our office, we utilise the services of staff to help with our business operations as well as to provide a physical presence for our clients. As a broker, we provide a complete service in helping our clients source tickets and hospitality for any event around Australia. We also offer services for clients to sell their tickets they can no longer utilise.

We are a member of the Ticket Brokers Association of Australia and understand our association has made a submission which deals with the legislative approaches in relation to ticket resale and an assessment on effectiveness of such policies in other jurisdictions. We fully support and are in agreeance with the submission made by our association, however, our submission will focus on our personal experience with our business and our clients.

As a local small business, we are proud to distinguish ourselves from primary ticketing agents such as Ticketek and Ticketmaster by providing superior customer service. Examples of this

- The ticketing landscape has changed significantly in the past few years with Ticketmaster Outlet Locations declining from 14 in 2012 to only 1 at Crown Casino (Head Office) and 1 in a Mundaring Newsagency in 2019
- Ticketek have also had a significant reduction in their Outlets. It is virtually impossible to speak to someone at Ticketek on the phone. Calling them often results in a pre-recorded message directing them to online contact methods.

Over the years, Epic Tickets has catered to thousands of clients many of which are repeat customers. We have working relationships with transport providers, hospitality to provide unique experiences for our clients as well as the clients of the providers we have relationships with.

Who we service?

Our regular clients greatly value the services we provide them. They generally fall into one of three categories

Customer Service Centric and Time Poor Clients

- We have many clients, particularly those who are older and less technically literate, who find the online ticket buying process very stressful and impossible to navigate. These clients prefer the traditional methods of purchasing tickets, either speaking to someone in person or over the phone, which we welcome. Like any customer-oriented business, we remember their preferences, whether they like being on the aisle, whether they like being close as possible to the fence, if they enjoy sitting in the warmth of the winter sun, etc. We treat our regular clients like people rather than just another number, which is a reason why we are able to win their repeat custom. We feel this segment of the population is forgotten in the interests of profit by moving transactions online
- Similarly, we have clients who are simply time poor and don't have time to know when events are on sale and where are the best value tickets in the venue and trust us to deliver on their requirements.

Fly-In Fly-Out (FIFO) and Regional/Farming Clients

- Being a state with a large fly-in fly-out and regional population, many of our clients are unaware of their rosters and schedules or when they will be in Perth. Our FIFO and regional clients who are often remote and in areas of poor internet coverage often call us to help with sourcing tickets for events when they are back in Perth. In the event they have tickets for an event where they are no longer able to attend due to a change in roster, we also assist our clients in finding a buyer. Many regional occupations preclude being on a computer when tickets go on-sale online, so our clients rely on us to assist.

Corporate and Hospitality Clients

- We service businesses ranging from small to ASX listed companies. Our clients rely on us providing entertainment solutions that are cost competitive compared to official packages. For example, very recently, a corporate client required six premium tickets to an AFL game. We were able to source these for them for \$175 each. When our client enquired directly with the club, the only option was \$700 per person for the same seating area. This would have included lunch, however the client being cost-conscious did not want to pay an extra \$525 for this privilege
- We also service Accommodation Providers who make requests through their own clients who stay on their properties. We are always happy to assist them to enable them to deliver a positive experience for visitors to Western Australia.

Impact of Legislation

The impact of a 10% price cap restriction will ultimately mean Epic Tickets will no longer be able to operate. Due to the nature of the business where not all tickets are sold at a premium and underlying fixed overhead costs, such as rent and wages, and transactional costs, such as credit card processing fees, there would not be sufficient margin to continue the business.

Our clients will ultimately be pushed to higher priced offerings from the official provider that will be less price competitive than what they are now, or they will be pushed onto the black market, where they will have no choice but to transact on unsecure foreign websites that will have no intention of obeying Western Australian law or resort to shady back alley deals where consumers have to protection from exploitation or fraud.

In December 2018, the Commonwealth Treasury, after a lengthy consultation process with a range of stakeholders published its regulation impact statement and concluded in relation to a price cap

“the benefits associated with restricted reselling will ultimately not significantly outweigh the costs associated with such a restriction”

“While consumers will experience savings in the short term by not paying an uplift on the price of tickets, the effectiveness of restricted reselling laws are questionable and can be easily avoided by ticket resellers moving their operations into black markets or offshore where consumers would have no access to consumer protection”

“The costs of consumers not having access to consumer protections are thought to be sizeable”.

The timing of recent legislation in New South Wales and Victoria has unsurprisingly coincided with primary providers Ticketmaster and Ticketek in developing their own marketplaces such as Ticketmaster Platinum or Ticketek Ultimate. For these platforms, the promoter withholds an unknown quantity of tickets to sell at ‘market driven’ prices. These prices are often 250-400% over what would be regarded regular face value. Going forward, this legislation would likely result in more tickets being diverted to these platforms and consequently less via general public releases. Epic Tickets does not have an issue with the promoter maximising their profits, however precluding competition that would be provided by this legislation, would be to the detriment of the Western Australian consumer.

Conclusion

While Epic Tickets supports the banning of automated means of purchasing tickets (bots), we do not believe the bill in its current form would benefit the Western Australian business community or the public. Consumers and businesses will be denied their free choice to purchase their tickets at their convenience and will ultimately resort to riskier means of acquiring their tickets where they will have no consumer protections. Event organisers will undoubtedly sell more tickets via inflated packages, and further utilise market price driven inventory platforms such as Ticketmaster Platinum and Ticketek Ultimate, making it even more unaffordable for the public to acquire their tickets.

The issue of ticket scalping has been repeatedly linked with the issue of fraudulent tickets, particularly when the matter was brought before the Legislative Assembly. It has been acknowledged to us by Consumer Protection that fraudulent tickets will likely increase as a result of this legislation, as fraudsters who use online platforms such as Viagogo or Gumtree will still, be able to sell tickets at face value and not be under the scrutiny of these proposed laws. We hope the issue of ticket resale and the issue of fraudulent tickets can be distinguished in your findings.

It is also hoped that the impact of the bill can be re-examined by the Legislative Council in more detail, to provide for more transparency in the industry so consumers and businesses are not taken advantage of by the event organisers, as well as to continue to provide a choice for consumers and businesses who value purchasing tickets from a trusted secondary source such as Epic Tickets.

As you can imagine the last few months have been a rather challenging time for our business and our growing family and we hope there can be an outcome from this process that will be beneficial to all involved.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'David Luong', with a stylized, flowing script.

David Luong
Director
Epic Tickets