

From: Graeme Eastes 9(2)(a)
Sent: Tuesday, 5 March 2019 12:13 PM
To: Hon Kris Faafoi <kris.faafoi@parliament.govt.nz>
Subject: Ticket Scalping - (Proposed Regulation/Legislation)

Attention of Kris Faafoi,
Minister of Commerce and Consumer Affairs
Parliament Buildings
Wellington

Dear Sir

Re: Government Plans to Prevent or Limit Ticket Scalping for Events

I am extremely pleased to see that your Government intends to regulate (and hopefully eliminate) ticket scalping.

I have long had an interest in this topic since I and many of my friends have suffered from the rapid selling out of many events entirely due to the activities of organised ticket resellers. A decade ago I was rather annoyed that the special regime that was brought in for the Rugby World Cup (requiring the Minister of Sport to declare certain sporting events to have a special status making their tickets off-limits to scalpers) made no attempt to protect would-be patrons of non-sporting events or indeed of smaller events not deemed "special"

So I was very pleased to hear of yesterday's announcement of a genuine attempt to limit the predatory activities of scalpers. However, based on what I have learnt from press coverage (TV1 News on Monday 4th and the NZ Herald on Tuesday 5th) I think that your proposed model is a bit flawed.

Rather than setting an arbitrary price cap for resellers, how about this:
Allow anybody with a few surplus tickets on-sell them **at face value** with a modest handling fee (postage and packing costs for example) of no more than say \$10 or 10% of the face value, whichever is the lesser.

Rationale:

Some might argue that this is unfair - surely sellers should be able to sell for whatever the market will bear. But that argument ignores the fact that the "market price" has been artificially boosted by a small number of bulk purchasers who have "cornered the market" and depleted the official supply of tickets available to ordinary fans while having no interest in the event or performance itself, only in how to make money from desperate fans

prepared to pay excessive prices for a rare opportunity to see their idols live.

It is not uncommon for people's situations to change between buying a few tickets (sometimes weeks or months in advance of the relevant event or performance). Unforeseen illness (who ever plans that?), personal or family emergencies, breaking up with your intended companion, etc. can leave you with tickets that you can no longer use, but which may have cost quite a bit. There should be absolutely nothing to stop anybody from on-selling such genuinely surplus tickets, whether to friends or acquaintances or via advertising their availability through the internet, etc., - providing that all they are doing is recouping their losses. I am sure that most people in this situation do not seek to make a profit - certainly they will not have purchased the tickets with such an intention and will be happy to come out of it with no more than their money back.

Under my proposal there would be nothing to preclude somebody (or a company) from buying as many tickets as they can arrange (I am not sure how you can prevent that, though sometimes there is an arbitrary limit of say 10-20 tickets per transaction which presumably is there to allow social clubs or similar groups to block book). But let such buyer's beware they would then be stuck with lots of tickets that they could only sell for face value plus a small mark up to cover reasonable handling costs. Using my proposed formula of the lesser of \$10 or 10% the mark up on a \$100 concert ticket would be no greater than \$10 so they would be taking a considerable risk purchasing say 1,000 tickets at a cost of \$100,000 with a maximum resale price of up to \$110,000 less the not inconsiderable cost of handling thousands of transactions.

Even if the new law (or regulations) does not completely eliminate scalping, it would reduce the activities of scalpers by limiting their potential profit opportunity and thereby leave many more tickets in the hands of the original suppliers for purchase at the official price by genuine buyers. This would have a secondary and reinforcing outcome of reducing the demand for second-hand tickets and so reducing the price which potential black market buyers might in desperation be induced to pay.

Good luck with this project.

Please advise whether the intention is to legislate (giving an opportunity for submissions to a Select Committee) or whether it can somehow be done via regulatory changes.

Cheers,
Graeme Easte

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