



## **Unfair Trading Practices**

#### Music Australia submission

13 December 2024

Music Australia welcomes Treasury's consultation on proposed general and specific prohibitions to unfair trading practices.

Charged with supporting and investing in the Australian contemporary music industry, Music Australia is a dedicated body within Creative Australia, the Australian Government's principal arts investment and development body.

Our live music industry is essential to building Australia's vibrant national identity, fostering social cohesion and wellbeing and is vital to the creative economy. It forms a critical part of Australia's wider cultural and creative industries which contribute \$25.2 billion to Australia's Gross Domestic Product<sup>1</sup> and employ nearly 500,000 people.<sup>2</sup>

Music Australia recognises the need for the live music industry to respond to demand in varying ways. However, we understand ticketing practices may occur which are not in the spirit of Australian Consumer Law, including practices of dynamic pricing and additional fees.

To mitigate harm to consumers and to safeguard trust, the principle of transparency must be protected and strengthened throughout the consumer ticket-buying process. All actors involved in the sale of tickets (artists, artist management, booking agents, venues, promoters and ticketing agencies) are responsible for delivering transparency to consumers by displaying the full fixed purchase cost, including fees, at the beginning of the transaction.

For this reason, Creative Australia supports the specific prohibition of dynamic pricing under Australian Consumer Law and advocates for the full purchase price (including whole of transaction fees) to be disclosed at the beginning of the transaction.

We enclose the following submission to the consultation and thank Treasury for undertaking this important work.

#### Unfair music ticketing practices have the potential to affect almost half of Australians

A substantial proportion of Australian consumers may be affected by any unfair trading practices occurring in the music industry. Australians love attending live music events and festivals, with 9.7 million Australians attending music events or festivals in 2022. This is 47% of the population aged 15 and over.<sup>3</sup>

## Supply and demand ticketing arrangements are an important tool for the music industry

Ticket sales are an important revenue stream to ensure the commercial viability of our music industry and to sustain artist careers. Pricing strategies are commonly deployed to support the industry to respond to fluctuating supply and demand. Surge pricing (where ticket prices may increase with rising demand) is a recognised pricing strategy which enables musicians and promoters to maximise revenue for what is usually limited supply.





# Misleading conduct can occur in music ticket-buying processes and negatively impact consumers

While surge pricing is an accepted pricing mechanism, Music Australia recognises that dynamic pricing practices (where a ticket price may increase *during* the course of transaction), and the application of additional fees throughout the ticket-buying process, occur in the music industry and may not be in the spirit of Australian Consumer Law.

Responding to real time demand throughout the ticket-buying process (when a consumer has already begun their transaction) and/or adding additional fees not displayed in the total ticket price, can undermine consumer confidence and cause stressful ticket-buying experiences.

Recent research by Music Australia shows music consumers report broad frustration with the state of the ticket-buying process for live shows. Focus group participants reported they are dissatisfied with long online queues, stressful buying processes, and limited seat availability only to get to the checkout and spend exorbitant amounts of money.<sup>4</sup>

### Transparency is needed to protect consumers and safeguard trust in our music industry

Changing the ticket price when the consumer has *begun* the transaction process is deceptive and misleading. Displaying a total ticket price excluding additional fees (such as booking, transaction, handling, service or delivery fees) can mislead the consumer's understanding of the total cost. Combined with stressful and time-consuming checkout processes, these practices can pressure a consumer to continue with a purchase that is higher than expected.

Music audiences must be respected to sustain and grow our music industry. Full disclosure of ticket prices from the beginning of the ticket-buying process is needed to protect consumers and maintain consumer confidence in the music industry. All actors involved in the sale of tickets (artists, artist management, booking agents, venues, promoters and ticketing agencies) are responsible for delivering transparency to consumers.

From the outset of purchase, a consumer should have full knowledge of the total cost of the purchase (including set prices for seating/standing allocations and additional fees) and have confidence that the price will not change when they reach the check out.

The principle of transparency must be protected and strengthened. For this reason, Creative Australia supports the specific prohibition of dynamic pricing under Australian Consumer Law and advocates for the full purchase price (including whole of transaction fees) to be disclosed at the beginning of the transaction.

We welcome Treasury's consultation to inform approaches that mitigate against the risks of unfair trading practices. This work will be imperative to protect consumers and maintain consumer trust in our music industry.

<sup>&</sup>lt;sup>1</sup> Australian Bureau of Statistics 2024, <u>Australian Industry, 2022–23 financial year</u>. This figure includes the following industry subdivisions: creative and performing arts; heritage activities; motion picture and sound recording; broadcasting; publishing; internet publishing and broadcasting; library and other information services; printing (including the reproduction of recorded media).

<sup>&</sup>lt;sup>2</sup> Based on creative occupations within the creative industries and other occupations within creative industries, 2021 Census. Cunningham S and McCutcheon M 2022, <u>The Creative Economy in Australia: What Census 2021 Tells Us.</u>

<sup>&</sup>lt;sup>3</sup> Creative Australia 2023, Creating Value: Results of the National Arts Participation Survey.

<sup>&</sup>lt;sup>4</sup> Unpublished research for Music Australia on music engagement (to be published in 2025).