

22nd March 2017

Competition & Consumer Policy Section,
Department of Jobs, Enterprise & Innovation,
Earlsfort Centre,
Lower Hatch Street,
Dublin 2.

**Commerce, Consumer and
Competition Division**

27 MAR 2017

Re: Consultation Paper of the resale of tickets for entertainment and sporting events.

"Ticket Wholesaling"

Dear Sir/Madam,

While the consultation paper circulated is very detailed and informative, it does not appear to address a practice known as 'Ticket Wholesaling' which IAFA has observed being used in at some of the major American football games; attracting tens of thousands of spectators; staged in Dublin in recent years. This is a practice whereby a large proportion of available tickets are 'purchased' from the event promoters by a 'Ticket Wholesaler' at face value or lower and are then sold on at multiples of face value thus generating a large 'windfall' profit for the intermediary 'Ticket Wholesaler'. We are aware of one such sold out event in recent years where c.75% of the tickets (most of face value €40-90) were disposed of to a Ticket Wholesaler who subsequently sold the majority of these tickets to various retailers — mainly travel agents and others who provide tickets to visiting fans - at c.\$250 each.

While we only have evidence of this practice being used for major American football events, the reaction of the various stakeholders to this practise being used suggested to us a familiarity with this 'modus operandi' thus raising the question in our minds as to whether or not it is commonplace in similar sized sporting and other events staged in Ireland. Indeed it is the stakeholders themselves who refer to the practice as 'Ticket Wholesaling'.

IAFA is thoroughly opposed to this practise and thinks it should be outlawed for the following reasons:

- The increased cost of attending the event is invariably passed onto fans with no added value to them. For events aimed at attracting overseas fans, this adds unnecessary expense to fans costs and gives the impression that they are being financially taken advantage of by 'Ireland Inc.'.
- It significantly reduces the number of tickets available through normal sales points e.g. Ticketmaster; thus meaning that many genuine fans of the sport are unable to buy tickets at face value. This has a big source of tension between IAFA/fans and the organisers of such events as invariably it is IAFA, as the National Governing Body, who receives the complaints from fans and members who cannot get tickets . The IAFA position is that for major events, particularly those in receipt of substantial grants of tax payers' money, fans in Ireland and elsewhere should have a reasonable chance of purchasing tickets at face value. In instances where c.75% of tickets are 'Wholesaled", there are very few tickets remaining for fans to purchase through the normal channels when you take into account allocations to corporate sponsors, guests, participants internal use etc. This generates a lot of dissatisfaction among fans and those involved in the sport at grassroots level.
- Often such events establish nominal value disposable Special Purpose Vehicles (SPVs), controlled by overseas registered companies including in jurisdictions with no connection to the event or participants. This means that persons, and indeed retailers, purchasing tickets may not have easy recourse to the normal consumer protections and laws that apply in Ireland.
- Invariably the 'Ticket Wholesalers' are beneficially owned by stakeholders in the event. These are not transactions where promoters simply sell tickets in bulk to an unconnected third party wholesaler as a regular commercial transaction.
- The promoters of such events invariably approach the Government for funding, claiming that their events are loss making thus requiring Government grants. The Government invariably accedes to funding requests on the basis that the additional tourism income is worth the grant investment. In the instances where we believe 'Ticket Wholesaling' has been used, events have received up to Um in direct grant aid from various tourism agencies in order to 'break even'. The organisers disposing of the tickets to connected third parties at a low price generates the appearance of a loss for an event which in reality may be extremely profitable for stakeholders involved due to the substantial windfall gains from 'Ticket Wholesaling'.

The Government needs to be conscious that Ireland will cease to become an attractive destination for overseas sporting events in circumstances where the organisers of events are more interested in once off windfall profits rather than the sustainability of Ireland as an event destination going forward. Ticket schemes which alienate local supporters and impose extra expense on visiting fans give a negative impression of Ireland. It should be noted that in spite of the sport of American football doubling in popularity in Ireland in the period 2012-2016, attendance at the most recent large scale American football event was significantly down on previous attendances. It is notable that the 2014 Croke Park event, where tickets were readily available at face value to fans, is the most successful and best attended of all three events held in recent years.