



**AFL Members Association**

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**Comments on:**

## ***Controlling Scalping and Improving Major Event Ticketing Practices Discussion Paper***

### **WHO WE ARE**

The AFL Members Association was formed in August 2001. The statement of purpose of the Association is simply “to promote the interests of AFL Members”.

Membership is open to any financial AFL Member (Full, Restricted and Absentee) and there is no cost to join.

The AFLMA is not officially affiliated with, endorsed by, or a licensee of the Australian Football League.

Despite no assistance from the AFL or access to the AFL’s membership database, in the little over a month since the AFL Members Association was formed over 3500 members have joined.

### **WHY THE AFLMA WAS FORMED**

The Association was formed in response to members’ concerns about how the AFL is looking after membership entitlements, in particular access to Grand Final tickets.

This year – for the second year running – thousands of AFL Full Members will miss out on a Grand Final ticket. This is despite Grand Final entry being marketed for years as the key benefit of taking out AFL Membership.

Unlike members of the MCC, AFL Clubs, and other similar bodies, the 52,000 AFL Members have no voice or representation on its governing body, no voting rights, no AGM and no formal means of airing grievances.

### **RESPONSE TO DISCUSSION PAPER**

#### ***1. Grand Final Access: the major concern of AFL Members***

Polling and discussion with AFL Members Association members has identified the recent erosion of Grand Final entitlements as the major concern of AFL Members.

Comments like “*I am livid at the way the AFL treats AFL Members*” and “*(the AFL) have treated us with absolute contempt*” are typical of the way members feel they have been treated by the

AFL over recent years. Although the headline verges on the hyperbolic, football writer Mike Sheahan's "Loyal AFL members feel like the league's lepers" describes the current disgruntled mood of members ([http://www.afl.com.au/news/story\\_250454.htm](http://www.afl.com.au/news/story_250454.htm)).

The AFLMA hopes that any future government action to controlling scalping and major event ticketing will have positive outcomes for AFL Members.

Unfortunately, earlier attempts by government to improve AFL ticketing practices have only worsened conditions for AFL Members.

The discussion paper notes that following the earlier government review, the AFL revised its ticketing system to improve its "fairness". The resultant "improvement" was the establishment of a reserved ticketing system for AFL Members. While the AFLMA has no objection to a fair and equitable system that ensures all seats in the AFL Members Reserve are occupied on Grand Final Day, in practice since this system was put into place each year fewer and fewer Full Members have been able to secure a Grand Final ticket.

Even though the reserved seat system is not one favoured by the majority of AFL members, the AFLMA believes the key to this problem is not the reserved seating itself, but the fact the AFL has substantially reduced the Grand Final seats Full Members have access to, without reducing the overall number of Full Members.

Mike Sheahan recently described the situation as, "*like an airline selling 500 tickets for 400 seats*" ([http://www.afl.com.au/news/story\\_251324.htm](http://www.afl.com.au/news/story_251324.htm)).

## **2. *Erosion of Member Entitlements***

Despite AFL Members being among the game's most dependable supporters - and despite paying our subscription up front each year in good faith - the AFL Commission has chosen to ride roughshod over its own members for years, consistently eroding benefits while continuing to increase the annual fee and other charges.

There are two levels of membership. After a waiting period as a Restricted Member - at one stage up to 15 years - Full membership is offered. The key difference between the two is access to the Grand Final. Until the 1998 Grand Final, this was virtually assured for Full Members on a walk-up basis, and Restricted Members had the chance of getting a ticket in a ballot.

In 1997, Wayne Jackson became CEO of the Australian Football League and since then has constantly cut away Members' entitlements, especially access to the Grand Final. In fact, the Full Member of 2001 has about the same rights and conditions that a Restricted Member had in 1998, despite paying hundreds of dollars more for the privilege.

The main erosion of benefits has been to Grand Final access. What was once an entitlement of Full Membership - and even marketed as such by the AFL - has been reduced to a taking a punt in a lottery, without any corresponding reduction in subscription fees, and a rewriting of history by the AFL, who now claims that AFL Members were "never guaranteed a Grand Final ticket."

## **3. *AFL members were never guaranteed a Grand Final ticket, claims AFL.***

AFL Communications Director Tony Peek recently repeated this claim on talkback radio, in response to a disgruntled long-time AFL Member who was angry he had missed out on a Grand Final ticket [Sports Tonight, 3AW, 28 August 2001].

While the fine print in the **current** membership terms and conditions might actually state that entry to any game is “subject to capacity”, the AFL cannot deny that Grand Final entry was marketed for many years as the key benefit of taking out AFL Membership. The 1994 application form reminded

*“Remember, as a Full... Member you are entitled to entry to all Finals in Victoria, including the Preliminary Final and Grand Final”.*

In the same year, Restricted Members were urged to renew their membership because:

"You're the winner as an AFL Restricted Member...so the sooner you apply, the sooner you can enjoy all the privileges of AFL Membership, which includes entry to the Grand Final" (Restricted Members renewal brochure).

And until recently, upon being upgraded to Full Membership – which might have involved a wait of 10 or more years – members received a letter from the AFL congratulating them on now finally being able to attend “every final including the Grand Final”.

#### **4. Medallion Club takes Grand Final Seats way from ordinary AFL Members**

In the discussion paper, **Table 1: Primary AFL Ticket Allocations** for 2000 in section 1.4.2 states that some 24.2% of the MCG capacity – 24,000 tickets – were available for AFL Members (including Medallion Club) in the AFL members Reserve at the 2000 AFL Grand Final.

This table was sourced from an AFL media release, dated Wednesday August 9, 2000.

While figure might come direct from the AFL, it is misleading, ambiguous and even contradicted by a letter sent by the AFL Membership Manager to AFL Members a few weeks later (August 29, 2000):

*With regard to ticket allocations for AFL members, approximately 17,000 tickets were available for this year's Grand Final. A further 3,800 Medallion Club members were issued tickets in the AFL reserve, with the balance of Medallion Club members tickets being located in various parts of the ground. This brings the availability of seating, for AFL members to approximately 20,800 tickets for the 2000 AFL Grand Final.*

Note: the balance of the tickets went to AFL guests, life members and officials.

As a consequence, the statistics supplied to you by the AFL and which were used in the discussion paper concerning primary recipients of Grand Final tickets are misleading. As revealed in the letter to members quoted above, ordinary AFL members received some 17,000 tickets, seven thousand less than the 24,000 figure supplied by the AFL.

***Furthermore, the AFLMA emphatically objects to the suggestion that Medallion Club members are AFL Members, or that they should be counted as AFL Members for statistical purposes such as that described in Table 1.***

Last year the AFL granted Colonial Stadium Medallion Club members guaranteed seating in the AFL Members Reserve, jumping the queue of Restricted Members who have been patiently waiting for years and siphoning off up to 5000 seats from ordinary Full Members. While the AFL likes to blur the distinction – Medallion Club Members are often included in the total of AFL Members who received tickets – it is inappropriate to include them in the census as AFL Full Members:

- The AFL guarantees Medallion Club members a seat at the Grand Final, but does not for AFL Members;
- Medallion Club members get a guaranteed seat at Colonial Stadium, and AFL Members do not;
- The Medallion Club membership card is transferable, and the AFL membership card is not. In fact AFL Members risk having their membership *instantly revoked* if it is found that someone else is using their card

The discussion paper stated there was “some evidence” of Medallion Club and AFL Club members “taking up their entitlements and then selling tickets to assist in defraying the cost of their membership”. The AFLMA believes this would be far more likely with Medallion Club members than AFL Members.

Because their card is transferable, Medallion Club members can obtain their guaranteed Grand Final ticket and then on-sell it to the highest bidder (the discussion paper cites such a Scalping Survey example).

While it possible for AFL Members to on sell a Grand Final ticket the risks are far greater because AFL membership is not transferable and the AFL periodically carries out signature checks.

##### 5. *Phone Ballot a farce*

This year for the first time AFL Full Members were required to enter a ballot for a chance to get Grand Final tickets.

The AFLMA believes the ballot was something of a knee-jerk reaction to the fiasco of the 2000 Grand Final, where despite assurances from the AFL that the "vast majority" of members would be able to reserve a seat, thousands queued overnight yet still missed out.

While the telephone system it used at least avoided yet more TV footage of disgruntled fans, never in the AFL's history has an issue generated so much angry correspondence from AFL Members.

For starters, despite Grand Final entry being marketed for years as the key benefit of AFL Full Membership, Full Members paid \$136 more than Restricted to enter a raffle and if successful were required to pay a \$29 in “booking fees” for the seat the ballot had already allocated.)

Unsuccessful members were not refunded any of the additional \$136 they paid to be a full member.

No member entering the ballot actually knew just how many tickets were up for grabs: the AFL's *Ticket Guide* only went as far as saying 50% of "available tickets" would go to members in the ballot. Given the AFL Members Reserve holds 24,000, optimists might assume that meant 12,000 were up for grabs.

However after the ballot AFL Operations Manager Andrew Demetriou stated there were “something between 7,500 - 8000 tickets available in the telephone ballot”. If this figure was 50% of the total “available tickets to members”, this means some 8000-8500 of the 24,000 seats in the AFL Members Reserve must have already been siphoned away, even before the ballot.

In a letter to members who did miss out, AFL Membership Manager Shaun Welch stated that there were some 20,000 applications in the ballot. This would indicate that members had about a 40% chance of success of getting one of the 7500 - 8000 tickets available.

However, polls on several footy fan sites indicate that rather than 40%, barely 18% of members entering the ballot were successful. The AFLMA is concerned about what happened to the remaining tickets. One suggestion is that they were given to Medallion Club members.

A recent poll of AFLMA members indicates that only 4% of respondents approved of the AFL's current system for Grand Final ticket allocation.

The AFLMA has serious concerns about the implementation of the telephone ballot, and recommends that if future ballots take place they be conducted openly and transparently.

The AFLMA would like a full disclosure on the running of the 2001 Grand Final telephone ballot, and recommend that your enquiry put the following questions to the AFL. The questions themselves indicate just how in the dark AFL members were when asked to participate in this ballot process:

**Part A: Seats In The AFL Members Reserve Available to Full Members at the 2001 Grand Final**

- How many seats are there in the AFL Members Reserve at the MCG?
- How many of these seats have been assigned to Medallion Club holders?
- How many seats have been assigned to Life members, Hall of Fame members and other formal groups?
- How many seats have been assigned to various individuals who can be loosely described as friends of the AFL?
- How many seats have been assigned to various "Corporates"?
- How many seats in total actually are available to AFL Members, specifically excluding those with "special" membership such as Medallion Club or Premiership Club?
- How many of these seats were included in the first ballot for seats?
- How many seats were allocated as a result of the ballot?
- For grouped applications, what percentage was successful for groups of various sizes as follows?
  - 1 member per application
  - 2 members per application
  - 3 members per application
  - 4 members per application
  - 5 members per application
  - 6 members per application
  - 7 members per application
  - 8 members per application
  - 9 members per application
  - 10 members per application
  - 11 members per application
  - 12 members per application

**Part B: The Ballot Process**

- Who was responsible for the ballot?

- Is it correct that the selection was made by a computer system?
- If so, was a pseudo random number generator used?
- If a generator was used, who checked it to ensure output was sufficiently random for use in the ballot?
- If a generator was not used, how were the random selections made?
- After the allocation of seats, were tests made to confirm randomness (and fairness)?
- If tests were made, please outline details (I assume that at the very least there were simple pattern scans and a basic Chi squared test on some groupings)
- How did the system process applications with varying numbers of seats within each?
- Was the process subject to formal supervision as occurs with raffles, Tattsлото etc? If so, by whom?
- Are you satisfied that the ballot process would provide due consideration for members?
- Is the AFL satisfied with the 2001 ballot?
- Does the AFL believe members were fairly treated in the ballot?
- Is the AFL satisfied that the "first in best dressed" system used over recent years provides a "worse" result than the ballot?

#### **Part C: *The Future***

- Is the AFL satisfied that the ballot process works sufficiently well to be used, perhaps with adjustments, for next year?
- Will the AFL conduct a formal review of the 2001 ballot?
- If so, will members be allowed to participate?
- If so, how will the members be selected?
- Will members be allowed to participate in designing the allocation system to apply in 2002?
- If so, how will views be sought?

#### **6. *"Blockbuster" Games***

Beginning in the 2000 season, the AFL has designated certain games during the home and away season as "blockbuster" games. Members are required to pre-book a seat for these games at an additional cost of \$5.50 plus telephone booking charges. In finals this charge without convincing explanation is unaccountably raised to \$12.50, and then \$29.00 for the Grand Final

The AFLMA is concerned about this practice because these booking fees add considerably to the \$356 annual cost of a membership.

### **AFLMA CONCLUSION**

The AFL Members Association welcomes greater scrutiny of major event ticketing practices including the AFL Grand Final.

The AFLMA asks that you take into considerations the concerns of ordinary AFL Members, who have in good faith paid their joining fee, waited patiently on the Restricted Membership list for many years and only wish to access the entitlements they signed up for.

The key to the problem is not finding a way to equitably distribute Grand Final tickets to members. The key is ensuring there are sufficient tickets to accommodate the membership.

A membership the AFL has built up by marketing Grand Final attendance as the key benefit.

A membership the AFL gladly takes \$16 million in subscription fees from at the start of each season.

A membership who are among football's most loyal supporters.

A membership who feel the AFL has betrayed them.