



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Canadian Heritage**

---

CHPC • NUMBER 157 • 1st SESSION • 42nd PARLIAMENT

---

**EVIDENCE**

**Thursday, May 9, 2019**

**Chair**

**Ms. Julie Dabrusin**



## Standing Committee on Canadian Heritage

Thursday, May 9, 2019

• (1525)

[Translation]

**The Chair (Ms. Julie Dabrusin (Toronto—Danforth, Lib.)):** Welcome to meeting 157 of the Standing Committee on Canadian Heritage. Today, we are continuing our study of the online secondary ticket sales market.

The witness we welcome today is Sophie Kiwala, the former MPP for the constituency of Kingston and the Islands.

[English]

Can you please begin your presentation? You have up to eight minutes.

**Ms. Sophie Kiwala (Former Member of Provincial Parliament for Kingston and the Islands, As an Individual):** Okay, I think I'm short of that, so you'll be relieved to know that.

No doubt you will all have done your homework and read the Hansard when I introduced my private member's bill, Bill 22, the ticket speculation amendment act, on September 27, 2016. In short, I came up with this bill because of the outcry that came to my office as the MPP for Kingston and the Islands when The Tragically Hip fans were shut out of buying tickets for the Hip's last concert.

Complaints came from all across the country, in fact, from outraged fans who had quite simply had enough of being shut out of the ticket buying process as a result of cost and a lack of availability of tickets.

There is no doubt that there was a significant emotional component to their outrage because of the circumstances of Gord Downie's tragic health diagnosis, but based on what I heard, what we were seeing was the culmination of many years of increasing frustration regarding inaccessible events. Parents spoke to me passionately about not being able to afford to buy tickets for their children's favourite bands. Cultural opportunities for many were quite simply out of reach.

I knew that something needed to be done.

There are a number of other jurisdictions that are committed to tackling the unscrupulous practice of massive markups in the secondary ticket selling market, whether it is due to bot technology or more standard secondary ticket selling sites' practices.

In order to effectively evaluate the legislative framework surrounding ticket sales regulation, it is imperative that this work be considered from a detailed understanding of the market.

Scrupulous attention should be paid to the influence of all, especially the big players in this highly lucrative and multi-million-dollar industry. There is no doubt that it is in their interest to blunt the scrutiny of their own activities, limit enforcement and allow the problem to continue on its merry way.

Just because the e-economy is difficult does not mean that we should throw up our hands and surrender to big interests at the expense of artists, athletes and the very fabric of the public's cultural life. That's the goal of those who wish that their practices be kept under the veil of secrecy.

There is clearly a role for the government, and Canada now has an opportunity to act on behalf of all Canadians now and in the future.

Following the tabling of my private member's bill and the subsequent government bill that followed, we did two fan town halls and round tables and an online public survey. The survey went from March 1 to March 17, 2017 and received 34,714 responses with over 22,000 responses coming in the first 24 hours. There were over 5,000 written responses in open text boxes. This was the most popular online survey with the most public interaction in Ontario's history, clearly demonstrating the high degree of interest and public appetite for this bill.

After the round tables and survey were complete, we commissioned a report from Michael Waterson, professor of economics at University of Warwick, who did a report for the U.K. government in May of 2016. Some of the background material that I have added for you at the end of my speech is in reference, and there are notes from his report.

We requested that he describe and analyze the efficacy of ticket sales regulation in a range of jurisdictions outside Ontario, including the U.K., the U.S., Australia, Italy and other European countries.

In short, Professor Waterson advised that many of the proposed changes by themselves would not constitute an appropriate response. As a package, the proposed model has the potential to render the opaque ticketing market much more transparent to consumers. The most important elements of the proposed model relate to bots and speculative ticketing, which will be appreciated by the public, but will also require enforcement.

• (1530)

Passing legislation will not be enough. Enforcement will also be required. An initial push should be followed by an assessment of suitable cases for prosecution, conviction if warranted, and sentencing as a disincentive to others.

Following that, the government bill had four primary pillars: access, affordability, transparency and enforcement.

Access is making sure that everyone has a fair chance at buying tickets for popular events. Through that, ban the use and sale of ticket bots and the sale or facilitation of the sale of tickets obtained through the use of ticket bots. Ban the sale of speculative tickets. Those are tickets that have no seat, row or section.

Affordability is addressing consumer concerns about resale prices and service charges. Cap the resale price of secondary tickets at no more than 50% above the face value of the primary seller's original price. Cap fees and other service charges.

Transparency is making more information available to consumers when they buy tickets. Impose requirements on primary seller and ticket resale platforms, including the reporting of suspected ticket bot activity, seat location of ticket, face value of ticket, currency, availability of pre-sales, number of tickets available at the general sale and commercial reseller's identity.

Enforcement is making sure that laws are followed. Provide enhanced enforcement mechanisms for government, police, industry and consumers, including a combination of private rights of action for industry and consumers, provincial offences, compliance orders and administrative monetary penalties.

Other considerations are to cap fees and other service charges, limit the percentage of tickets held back from the public, limit the number of tickets offered for resale, and create a provincial registration of ticket sellers and resale platforms.

In conclusion, there is one basic truth that we often fail to understand when we speak of access to cultural opportunities, ticket speculation and ticket bot software—namely, that the consumer who rages against excessive fees also participates in the inaccessible ticket conundrum. If the public were aware, as I'm sure most are, of the exorbitant markups that were clearly demonstrated by tickets printed with the original face value, they may be less inclined to participate in the transaction. They'll certainly be inclined to ask questions of the individual they're buying the ticket from, whether it's online or in person. As government, when we create legislation we are attempting to change behaviour. Legislation that bans or limits markups on tickets has the effect of informing the public, which hopefully will begin to limit the problem. Moral persuasion and aligning with a moral code of ethics may create some change. Knowing that they are being gouged, and by how much, may encourage buyers to beware.

Thank you.

• (1535)

**The Chair:** Thank you very much.

We will now begin our question and answer period. We'll begin with Mr. Boissonnault for seven minutes.

**Mr. Randy Boissonnault (Edmonton Centre, Lib.):** Thanks very much, Madam Chair, and thank you very much for joining us here today.

It was a bold move. What were you hoping to achieve by the particular parameters of your bill? Then I'll talk about what we've seen and how it's been gutted since.

**Ms. Sophie Kiwala:** Yes, it's very unfortunate.

I was primarily hoping to achieve greater accessibility. I was truly impacted by the number of people getting in touch with my office because of the last concert of The Tragically Hip.

It just became apparent to me that people felt very passionate about cultural opportunities. This was my second private member's bill. I had hoped that my private member's bill to have a national inquiry into missing and murdered indigenous women would have had a lot more interest, but this was off the charts, with over 22,000 interactions in 24 hours. There's a very high palatability among the public to do something about this. Other jurisdictions have made some progress.

**Mr. Randy Boissonnault:** Have you given any thought to what we might be able to do federally or is this all going to be in the provincial sphere? That's my first question. Second, what has, in your opinion, as the person who put the bill in the legislature in the first place, the Ford government's changing of the terms done? My read is that it has essentially gutted it and made it a toothless piece of legislation, but what's your take?

**Ms. Sophie Kiwala:** It's exactly the same. They have certainly gutted it. Ironically, the individual who began to gut it, MPP Todd Smith, spoke in support of my bill when I tabled it and said that he looked forward to supporting it in committee.

I do think there's a role for the federal government. You'll find in the notes that I have provided—and I apologize I didn't have the paperwork here in advance to have it translated—there is some information regarding a jurisdictional scan of other countries that have taken measures.

It's not going to be perfect. It's not going to solve everything, but I think that any measures we can take will be of benefit and will provide the public with additional accessibility, and I really hope that we're able to do this.

**Mr. Randy Boissonnault:** It's important. Rogers Place is a new arena in my riding within my mandate. It opened up at the beginning of my time here and it's one of the best concert venues and arenas now in the world. That's not good if people of modest or even better-than-modest means are shut out from the ticket buying process because the actual ticket selling regime has pods on the side that are designed to go three, four, five, ten times the ticket value. That makes no sense to me.

I see that the Ontario government has cut the Ontario music fund by more than half.

We as a government have boosted money for the creative sector. We have to protect consumers on one side but also make sure that we're funding creative opportunities on the other. What's the role of provinces and provincial governments in those spaces?

**Ms. Sophie Kiwala:** I think in general if we're to have any success out of federal legislation we have to work with all stakeholders, and that obviously includes the provinces.

I think it's critical that there's a broad understanding of what we're working with and it's very complex. As soon as you start to get into this it's like the classic peeling of the onion. There are many layers. You've got the artist, the manager, the agent, the promoter, the venue—the venue is very important.

The Waterson report did not put a lot of emphasis on the venue, but if you think about what happens in a venue when a big concert comes to that venue, if you insist on having identity features, one person, one ticket, that's correlated to your licence or some sort of ID, how does the venue handle that? There would need to be sophisticated technology in the venue sites. In order to support that technology, it is appropriate that in some cases the artists may be asked to contribute to that. The ticketing agents may be asked to contribute to it.

You can't say the idea is that we need to have one person, one ticket, one piece of ID, and the venue's going to figure it out on their own, because it's going to be an absolute nightmare.

• (1540)

**Mr. Randy Boissonnault:** I appreciate that. There are lots of people making money in this system.

I would like to give my remaining almost two minutes to MP Long.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Thank you.

You took the question right out of my mouth.

I'm from Saint John, New Brunswick.

The arena in my city is called Harbour Station. It's 6,500 seats. I'm not sure what the capacity is of the London arena. Is it 7,700?

**Ms. Sophie Kiwala:** Kingston? The K-ROCK Centre? I'm not sure either.

**Mr. Wayne Long:** Let's assume 7,700 for the sake of argument.

**Ms. Sophie Kiwala:** It might be a little smaller.

**Mr. Wayne Long:** The issue I have is a lot of these arenas or venues have box offices with one or two people. They're not technologically advanced.

I'm not a big StubHub fan, I going to be very clear with that. It's great to say that the venue should handle it, but how can you realistically expect some of these box offices with one or two people to handle what you want done with the requirements, with the markups and stuff like that?

**Ms. Sophie Kiwala:** I don't think that the venue should be held entirely responsible for it. I think that there needs to be a series of measures that have to take place, but I think if you had an automatic scan-in technology you wouldn't oblige the venue to have 20 tickets [*Inaudible-Editor*].

**Mr. Wayne Long:** A lot of them don't have that technology.

**Ms. Sophie Kiwala:** That's right. That's why you need to collaborate, and get all the partners together.

**Mr. Wayne Long:** Do you think some of the onus is actually on the performers, musicians and promoters?

**Ms. Sophie Kiwala:** There is discussion of that in the Waterson report, and in some of the other jurisdictional scans that have taken place. In other countries, this is a subject that has come up. It's not an entirely no-go area. We have to look at it.

**Mr. Wayne Long:** I applaud and appreciate what you're doing. I think it's awesome. I know some of the realities of arenas.

**The Chair:** Thank you.

[*Translation*]

Mr. Blaney has the floor for seven minutes.

**Hon. Steven Blaney (Bellechasse—Les Etchemins—Lévis, CPC):** Thank you, Madam Chair.

Welcome to our committee, Mrs. Kiwala. My congratulations for your political commitment. Society needs people who get involved, as you do.

Can you understand me?

**Mrs. Sophie Kiwala:** Yes. I speak French, but my French is not perfect.

**Hon. Steven Blaney:** My English isn't either.

**Mrs. Sophie Kiwala:** Okay.

**Hon. Steven Blaney:** You were an MPP when the Tragically Hip show took place. What was the difference between the face value of the tickets and what the resellers were asking?

**Mrs. Sophie Kiwala:** Unfortunately, I did not get the interpretation, but I think you asked me about the difference between the prices.

**Hon. Steven Blaney:** Yes.

**Mrs. Sophie Kiwala:** For that concert, the face value of the tickets was \$125 and the highest price that resellers were asking was \$5,000.

**Hon. Steven Blaney:** So there really was a lot of greed. You therefore introduced your private member's bill—in 2017, I believe—in order to tackle the problem. You indicated that your bill was amended and I would like to know more about that. You also seem to be saying that there is a combination of provincial and federal legislation. We have not received your document, but the chair will certainly get it to us once it has been translated. You talked about persuasion, perception and public education.

I would like to hear what you have to say about the effectiveness of your bill, amended though it is. What is this mix of provincial and federal legislation? How can we attain our objective of guaranteeing that people are paying a fair price for their tickets to shows?

• (1545)

[*English*]

**Ms. Sophie Kiwala:** All right. That's a lot.

To recap what you have asked, I'm not aware of anything that's happening federally on this bill. I didn't talk about capping prices in Bill 22. When it was adopted by the government, they did make that change. That was one issue that I think was a very good move.

I think something that we can do federally is almost a duplication of what we saw in the provincial bill, under the 41st Parliament, when I was there. I don't mean the one I did. I wanted to create something that was passable, and would solve a problem very quickly. When it was adopted by the government, it was made more complicated and comprehensive.

Does that answer your question?

[Translation]

**Hon. Steven Blaney:** Yes.

Can you tell us how efficient the measures in your bill and the amendments to it have been, given the current situation in Ontario in terms of ticket resales?

[English]

**Ms. Sophie Kiwala:** The legislation was due to begin on July 1, so we didn't have an opportunity to assess efficiency. We did our best to make sure that we were creating greater accessibility to cultural opportunities, but it's very complicated. We needed to start somewhere, and making ticket buying software legal was a correct place to start, in my opinion.

It would have been something that would have been monitored by the industry itself, so complaints would have gone forward. Complaints would have to have been made to police associations across the province. From there, monetary penalties would have been instituted.

[Translation]

**Hon. Steven Blaney:** Basically, you are telling me that you have not been able to see your bill as such put into effect, and that cold water was poured on your initiative.

[English]

**Ms. Sophie Kiwala:** That's correct. As soon as the change happened in Ontario, in fact, I called the individual for the PC side, who had debated the bill with me. I trusted that he was going to still be interested in the bill. I said that this was coming into effect on July 1, so he needed to be aware that on July 1 there may be complaints coming forward to police associations.

I checked with the police associations on whether or not they had received any bulletin on what to do about complaints with this new legislation and they had not. That was why I was concerned about it and I alerted him to it. Within a few weeks he became the minister and started to take it apart.

[Translation]

**The Chair:** You only have 30 seconds left, Mr. Blaney.

**Hon. Steven Blaney:** Okay.

Mrs. Kiwala, I would like your comments on the third point I raised. Do you believe that your bill, and the 22,000 responses it generated, have had an effect and have made the ticket sales sector aware of the resale issue?

[English]

**Ms. Sophie Kiwala:** Within minutes of tabling my bill, I had people calling my office from across the country—stakeholders like Live Nation, Ticketmaster and StubHub. They were in Queen's Park almost within 24 hours. There was a lot of interest.

●(1550)

**The Chair:** Thank you.

[Translation]

Mr. Nantel, you have the floor for seven minutes.

**Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP):** Thank you, Madam Chair.

Mrs. Kiwala, you clearly are the exception to the rule with your pertinent and most forthright comments. The Tragically Hip show is now forever a part of Canadian heritage. It was a defining show in the history of Canadian culture. My congratulations. However, I remain sceptical about our committee's study of the matter. In the release that came when you published your bill, I saw that you had obtained the support of Tracy MacCharles, the Government of Ontario's Minister of Government and Consumer Services at the time. That's why I am telling you that you are the exception to the rule.

Getting back to the Tragically Hip show, some people seized on the opportunity to make a profit from ticket sales to a show that hit an emotional nerve for an entire nation. That action, and the hundreds of percent profit they made by reselling tickets is a total travesty. It is disgusting and immoral.

[English]

I'm wondering what you'd think if a bunch of kids decided to buy all the tomatoes in grocery stores in the GTA, and one U.S. company said they were going to start "Tomato-matic" to resell all these tomatoes and they'll just grab a person to sell to all these individually and make these sales. Would you think that Doug Ford would say that's okay—that's great?

It's the same situation. Clearly, no matter the topic or the product, this systematization of an individual opportunity is what's making it a big problem. It's the same thing as if I offer you a ride to go back to the train, and suddenly it becomes Uber and we make it free with no taxes.

To me, it's a good catch for the committee to have you here because you bring the very big exception. The biggest act in Canadian heritage and in Canadian pop music surely was The Tragically Hip, from sea to sea to sea. It is important to be courageous. You have been against strong winds for sure, and you did the right thing. I'm sorry to quote another Conservative, but it was a common sense thing to do, and I appreciate that.

In the cultural world we have to steer and advise the government.

[Translation]

I am so pleased to have found the headline of a news release from Telefilm Canada on the Internet. It mentions three people who are here today. "Telefilm Canada and the Rogers Group of Funds", one of whose representative has been overseeing things very seriously for several weeks, "celebrate 10 years of partnership as they announce their support of 18 documentary productions." One of those documentaries was about the Tragically Hip, in fact, and it was really fantastic.

This may be a bit of a stretch, but I have to tell you that, if we are going to discuss and vote on my motion shortly, I hope that you are not going to take out any of its daring content. Telefilm Canada shows that it has no understanding of the way the cinema industry works. The recent violent firings must remain the key to this motion.

Mrs. Kiwala, thank you very much for your involvement with the Tragically Hip concert. In my opinion, it is a specific example of the risk that some of our artists in Canada and Quebec are running. We have heard various points of view on this issue. Some producers have gone so far as to tell us that it would suit their purposes very well to sell their tickets in lots of 100 rather than singly, because the marketing costs would be significantly less.

Did you have any direct negative reactions from the entertainment sector after you introduced your bill?

[English]

**Ms. Sophie Kiwala:** They seemed to be very co-operative and very concerned, obviously. There are millions of dollars being made in this industry, often with the flick of a switch. I don't know the exact amount, but I heard it was \$1.2 billion in 2012 to be made off the secondary market. I expect it's much higher than that.

I do think that right now the time is right to make a change. It's not going to be perfect, and everybody knows that. Industry will be the first to be at the door and they will complain and they will be loud and they will say it will drive sales of tickets underground and it will be worse, but—

• (1555)

**Mr. Pierre Nantel:** It's not the producers. The resale industry is going to say that, I guess.

**Ms. Sophie Kiwala:** That's right.

**Mr. Pierre Nantel:** How do you perceive the fact that StubHub has a partnership with the Blue Jays in Toronto? How do you interpret this?

**Ms. Sophie Kiwala:** It's the nature of what's been happening in this uncontrolled industry. If government doesn't do something to put some stopgap measures on this run-amok industry....

I enjoyed my conversations with all of those stakeholder partners. From every single one I learned a massive amount about the industry. They were all very keen to work with me. The amount of money that is at stake here is very significant. If government doesn't act, it's just going to continue to be unreachable for people who can't afford it.

**Mr. Pierre Nantel:** I want to draw a parallel to how difficult it would be if one tomato producer were to decide to sell its produce only to Loblaw's. Would it not then be some cartel situation where the prices would go up?

**The Chair:** That does put you at the end of your time.

[Translation]

**Mr. Pierre Nantel:** Thank you, Mrs. Kiwala.

[English]

**The Chair:** We will be going to Mr. Hogg for his seven minutes.

**Mr. Gordie Hogg (South Surrey—White Rock, Lib.):** Thank you.

You made a number of references to the Waterson report. I understand there were a number of countries involved in that review.

I'm assuming we can correctly believe it's the new technology and the new economy that has made it possible for all of this to come about. Is that a fair interpretation?

**Ms. Sophie Kiwala:** Yes, I would say so. Bot software can apparently make 120,000 attempts at buying a ticket in one second.

**Mr. Gordie Hogg:** Perhaps that's quicker, then, than you and me.

**Ms. Sophie Kiwala:** I think so. I'm quick, but you might be quicker.

**Mr. Gordie Hogg:** Was there any suggestion by Professor Waterson of any technology that might be implemented to manage this in other fashions?

**Ms. Sophie Kiwala:** It's a good question. He didn't go into that and he didn't go very far into looking at venues as primary stakeholders. I feel that if venues were supported by the other industry partners, they would be able to get the technology to at least improve some of it. He didn't really go there.

His report was fantastic. It was very comprehensive. However, I was a little disappointed to see that he didn't go there and he didn't go into specifics about what type of technology is out there.

It's a bit of an arms race with the technology. The industry stakeholders are always trying to be one step ahead, or so they claim, of the unscrupulous secondary ticket sellers.

**Mr. Gordie Hogg:** Did he make reference to any jurisdictions in his study that seemed to be more advanced than we are and that have both a provincial and a federal responsibility with respect to it; and how well might they relate to each other?

**Ms. Sophie Kiwala:** I believe the U.S. has 13 states that have developed some legislation, but it didn't seem clear whether there were any prosecutions, so I don't know how effective it has been. That legislation is referenced in the notes I took from the Waterson report. It came out at the end of Obama's time. It was one of the last things he brought forward. I don't know if a similar situation has happened there, but the legislation in the States intended to ban bots, have fines, civil penalties and, on occasion, jail sentences.

New York was fairly progressive. They had a report done in early 2016 on allocation of tickets prior to the general sale, and the use of bots. Brokers would face civil penalties if caught, but the attorney general suggested criminal penalties. The industry was obliged to play a substantial role in tackling the problem.

That's why, if you're looking at developing some legislation, it's critical that you have all those partners at the table.

• (1600)

**Mr. Gordie Hogg:** You made reference to Professor Waterson coming up with four recommendations, on access, affordability, transparency and enforcement.

**Ms. Sophie Kiwala:** Those were the pillars we had in our provincial legislation.

**Mr. Gordie Hogg:** Then there were some actions that it was suggested be provided around each of those.

**Ms. Sophie Kiwala:** Yes.

**Mr. Gordie Hogg:** The ultimate one was enforcement, that the laws had to be followed and had to find consequences, yet the ability to find people who have broken this seems so obtuse and so far removed.

**Ms. Sophie Kiwala:** Yes.

**Mr. Gordie Hogg:** It's a nice set of principles or values, but are they realistic, in terms of being able to find people, enforce and provide consequences?

**Ms. Sophie Kiwala:** It's really difficult, and you are zeroing in on the nub of the problem. It is very difficult, but if you limit some of this behaviour, and create more awareness in the consumers' minds about an acceptable markup to pay on a secondary ticket.... If you were buying tickets to the Ottawa Senators.... If you wanted to, you were a fan and you tried to get tickets, it would be.... I've lost my train of thought now—

**Mr. Gordie Hogg:** I ruined you with Ottawa. I understand how the Senators could ruin your life.

We've heard testimony from a number of groups who are all talking about public information programs, and wanting to raise awareness.

How do you think that would work? How would a public information system.... I'm not even sure how you make those connections with people. How do you actually convey...? We can have a message, but how do you think a public information program might work?

**Ms. Sophie Kiwala:** I think that you may have to oblige some of the primary stakeholders to inform the public. You might have to have a communication campaign that you work on together. You might have advertising around the time of an event that talks about what people should be seeing on a ticket. They need to be seeing that there is a section, a row and a seat. They need to be seeing a face value on that ticket, and the end price. If there are services charges, those services charges must be clearly laid out.

Hopefully, with that awareness campaign, if you go back to see the Senators—because I'm sure you're going to be lining up to see them—

**Mr. Gordie Hogg:** I'm from British Columbia, so I'm probably not.

**Ms. Sophie Kiwala:** —you would have the opportunity to be an informed buyer, and you're going to say, "I'm sorry, but I'm not going to buy Senators' tickets for \$2,000, or \$20."

**The Chair:** That brings me to the end of your time.

That finishes our round, and we're a little tight on time. I wanted to check if anybody else did have questions they wanted to ask.

Mr. Shields, you do. Does anyone else?

I will give those final five minutes to you, Mr. Shields.

• (1605)

**Mr. Martin Shields (Bow River, CPC):** Thank you.

I appreciate the work you're doing. I talked to my daughter and my wife about this, and they said, "It's our responsibility. We're the consumer. If we can't figure this out—

**Ms. Sophie Kiwala:** Yes, I know.

**Mr. Martin Shields:** —and if we pay too much, that's our problem."

I agree with some of the things you're saying, but how would you enforce that?

They see it as being like going to a yard sale. If you want to buy that piece of junk somebody's selling, and pay \$100 for something that's worth a dollar, that's your problem, because you wanted to buy it.

If you want to protect consumers—and awareness may be the way to do it—where is the responsibility of the consumer here?

**Ms. Sophie Kiwala:** You are exactly right, but the fact is that people love these cultural opportunities. It's what gives them joy in their lives. That's what culture is all about. You go to work here in the House of Commons, and you go home—some of you fly home, and some of you drive. We're in this daily grind of our work-life activity, but if you're somebody who can't afford those cultural opportunities, there's a certain reduction in your joie de vivre. It's really important.

The reason I can tell you this with 100% certainty is the passion that I heard, from people across the country. I never imagined in my wildest dreams that this would get the attention it did. Never once did I think that it would be this poignant for Ontarians.

**Mr. Martin Shields:** When you talk about the technology, you see, the technology is on the other side. My granddaughter, at 14, buys her tickets online. She's in the tech world. That's the other side. We have a generation who very much lives in this ticket buying world.

How do we deal with that? This is where they are. I don't know how you compete with the tech world to control this.

**Ms. Sophie Kiwala:** It's really tough, but if we as government are not there to protect the rights of the consumer in every potential opportunity that exists, what are we there for?

**Mr. Martin Shields:** Oh, in every opportunity?

**Ms. Sophie Kiwala:** Yes. Okay, well—

**Mr. Martin Shields:** Ooh, careful, careful.

**Mr. Randy Boissonnault:** It's a big question for Mr. Shields.

**Mr. Martin Shields:** My anarchist hair just went up on the back of my neck.

**Voices:** Oh, oh!

**Mr. Randy Boissonnault:** You're back in the sixties, my friend.

**Mr. Martin Shields:** Yes, you have it right.

**Ms. Sophie Kiwala:** In all seriousness, there's a responsibility to protect consumers here and you know—

**Mr. Martin Shields:** If it's tomatoes I'm going with, the right for milk and bread.... I'm with you, but this is optional.

**Ms. Sophie Kiwala:** It is. It is totally optional but culture contributes so much to the fabric of who we are as Canadians.



**Mr. Martin Shields:** Yes. Some people here on the committee heard me say it. Garth Brooks fixed this problem. I'm not a Garth Brooks fan but I know he knew it. He did six concerts in Calgary, six concerts in Edmonton and it destroyed that secondary market. He did it in Minneapolis and he did it in a couple of other places. He fixed it as a performer, but he was a powerhouse who could do that.

**Ms. Sophie Kiwala:** Yes, you're right. There are solutions out there, but this whole story began with me and stemmed from the Tragically Hip concert because there was a limited time frame to that man's life.

**The Chair:** Mr. Long, you get the last of his minutes.

**Mr. Wayne Long:** I just have one comment.

I think the root of the problem in a lot of instances is the promoters. As another example, we had a premium CHL game at Harbour Station, Saint John. So, call it 6,000 seats. We had the event. We felt great about the event. The CHL said to us, "You're only selling 5,000 of those seats." We said, "What do you mean, 5,000? Where are the other 1,000?" They said, "We're holding those." We asked, "What are you doing with them? They said to us, "None of your business. Do you want the event or not?"

I would hazard a guess and bet you that the promoters themselves who controlled The Tragically Hip concert in that arena, if you dig in, held a ton of those tickets back. Number one, it creates a false market.

**Ms. Sophie Kiwala:** Yes.

**Mr. Wayne Long:** Number two, it allows them the flexibility to deal with the secondary sellers that they owe favours to, that they deal with.

• (1610)

**Ms. Sophie Kiwala:** Yes.

**Mr. Wayne Long:** And then what's most interesting is that in that instance with us at Harbour Station, the promoter at the last minute released a whole bunch of tickets and then there was chaos. There were people who were upset, who overbought. There were tickets back on the market.

One of the places we want to drill down is the promoters of these vents, whether it's hockey or music. That's where a lot of the problem lies.

**Ms. Sophie Kiwala:** I do go into that a bit in some of the details later in this report. I have a lot of other information. I've done a lot of work on this file and if you ever need me to come back or if you have specific questions—

**Mr. Wayne Long:** Well, can you submit the report?

**Ms. Sophie Kiwala:** I did submit this, but if you have other questions, I can go into more detail at any time.

**The Chair:** Thank you. I do believe that there was a request. Is the Waterson report publicly available?

**Ms. Sophie Kiwala:** I don't think so, and I'm glad you asked that question because I didn't quite know what to do about that.

**The Chair:** Mr. Boissonnault, you have two minutes.

**Mr. Randy Boissonnault:** Thank you, Madam Chair.

I'm glad that you helped us follow the money. I think there's a lot more work to do in following the money. It is billions and billions of dollars.

This is in a gentle response to my colleague, Mr. Shields.

I go to lots of junk sales and I think I should put my basement stuff onto one of them. Maybe I'd make some money. But there's a difference between things that are in abundance and things that are scarce, and everything we're talking about here is in a scarce market.

If I want that thing that you're selling at your sale, but some group comes and puts 10 groups in front of me and jacks up your one-dollar trophy to a hundred bucks so I don't even see it at a dollar, that's the issue, and that's the protection to the consumer. I can still buy it for a hundred dollars but I never even saw it at one dollar. The people in the middle, those new entrants to the market, who are not even there in person—they're in another space, coming in as bots—are able to press the button, have those agents there, and I don't even get to see your valuable treasure for a dollar. It's only ever a hundred dollars. I think there is something here about the scarcity and abundance market. A regulatory piece that tracks and follows the money is where we could have both the consumer protection.... I agree with you. We can't go too far because people can choose how to spend their money.

**Ms. Sophie Kiwala:** You're exactly right. Hype is created around the tickets. Tickets are held back by promoters and artists. The Tragically Hip loves to have the first five rows for fans only. All those things create hype and excitement around the ticket. The manager wants the artist to think the manager has sold out. If the artist is newer and the tickets aren't going quickly then the promoter has to do something with the tickets.

Quite often, secondary sale sites do not sell all the tickets. Sometimes the value of the tickets goes below the market face value. That's a consideration as well. The other thing is, in the case of The Tragically Hip, if you bought a ticket for \$1,000, \$2,000, that's a fairly high-priced item. If you get sick and can't go, what are you going to do? There's no recourse. There are many legitimate reasons somebody would not be able to go to a concert. Then what happens to those tickets? Do they go back to the venue, to the artist?

[Translation]

**The Chair:** It is 4:15 p.m. already.

**Mr. Pierre Nantel:** We haven't even asked any questions.

**The Chair:** Right.

**Mr. Pierre Nantel:** Thank you, Madam Chair.

It is worth it.

**The Chair:** Let me remind you that it is 4:15 p.m. already.

**Mr. Pierre Nantel:** Look, I doubt whether this will take 15 seconds.

I am on the StubHub site. I am buying a pair of tickets for the game between the Ottawa Redblacks and the Montreal Alouettes. The ticket price is in American dollars.

[English]

Does that ring a bell?

[*Translation*]

**The Chair:** Thank you, Mr. Nantel.

[*English*]

That brings us to the end of this meeting. Thank you for bringing us that wealth of information from your own experience.

•(1615)

**Ms. Sophie Kiwala:** It was my pleasure.

**The Chair:** We will be distributing your notes once they're translated. We're going to be suspending briefly so we can move in camera for committee business.

Thank you.

[*Proceedings continue in camera*]

---







Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <http://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>