

CONTROLLING OFFICER'S REPLY

CSTB220

(Question Serial No. 2725)

Head: (95) Leisure and Cultural Services Department

Subhead (No. & title): (-) Not Specified

Programme: (4) Performing Arts

Controlling Officer: Director of Leisure and Cultural Services (Vincent LIU)

Director of Bureau: Secretary for Culture, Sports and Tourism

Question:

It is learnt that some members of the public have reported rampant ticket scalping of certain popular performances. Most scalped tickets fetched prices substantially higher than the original ones, which is unfair to both the performers and the audience. With regard to the sales of tickets by the Urban Ticketing System (URBTIX), would the Government inform this Committee of the following:

1. With the rolling out of the new generation of the URBTIX in December 2022, please provide details of the expenditure on enhancement of the URBTIX, as well as the increase in management cost.
2. Will the Government implement new measures, such as real-name ticket purchase and delayed ticket collection, to alleviate the scalping of tickets sold by the URBTIX in the coming year?
3. Did the Government explore other methods through the application of innovative technology to combat ticket scalping? If yes, what are the details?

Asked by: Hon LEUNG Man-kwong (LegCo internal reference no.: 29)

Reply:

- (1) The Urban Ticketing System (URBTIX) operates on a Public Private Partnership approach. The contractor Tianjin Maoyan Weying Technology Co., Ltd., commissioned by the Leisure and Cultural Services Department (LCSD) through open tender procurement arrangement to develop the new generation of the URBTIX ticketing system and undertake system operation and maintenance as well as the provision of operation services at its own cost. The contract period is 7 years and the contract value is around \$91.7 million. The new system commenced service on 1 December 2022. The contractor collects through the LCSD ticketing charges specified in the contract for each ticket issued or sold for the event organisers (including the LCSD) by the system, while the LCSD provides front-end box office services, as well as administrative and accounting support for the ticketing services. The

management cost incurred by the LCSD is more or less the same as the Department's day-to-day operating expenses for maintaining the provision of the URBTIX ticketing services.

- (2) Before the ticket sales of large-scale and popular events commence, the URBTIX proactively discusses with organisers the ticketing arrangements that suit the needs of individual programmes, which include considering the implementation of real-name ticket purchase, setting a maximum number of tickets that each patron can purchase per transaction on the first day of ticket sales, imposing a limit on the number of tickets that can be purchased with the same credit card, increasing the transparency of ticketing information (including advance announcement of the date of sale, the number of performances, the number of tickets available for public sale, the seating plan of the tickets available for sale, and the designated channels that organisers arrange to release ticketing information), implementing delayed ticket collection, etc. Real-name ticket purchase was adopted for certain popular events in previous occasions and the purchasing process went smoothly. The LCSD and the system contractor have also been enhancing the system functions, such as introducing multi-layered setting and programmes to prevent ticket purchases by automated computer programmes (bots), increasing the number of servers and the amount of bandwidth to strengthen the system processing ability and improve network traffic, etc.
- (3) The functions and services of the new URBTIX ticketing system have been enhanced by, among others, using cloud technology platforms for flexible scaling up of the system capacity to cater for the immense demand for tickets of popular events. To combat the scalping of tickets, in addition to the existing functions of the ticketing system of the previous generation (such as multi-layered setting and data analysis to prevent ticket purchases by bots, the option of real-name ticket purchase, allocation of ticket purchase timeslots by ballot, etc.), the new ticketing system, through its expanded system capacity and flexibility, enables the accommodation of a huge increase in the number of concurrent users on the first day of the sale of tickets for popular events, thereby shortening the time required for selling the same quantity of tickets. Furthermore, the new system provides the option of dynamic QR code electronic tickets for event organisers' consideration to adopt, with a view to increasing the difficulty in ticket transfer and strengthening the counterfeit security feature of the tickets. In a later stage, pre-registration for ticket purchases and authentication through "iAM Smart" app will be developed in the new system to further strengthen its functions in preventing ticket purchases by bots etc. for event organisers' adoption according to their needs.

- End -