

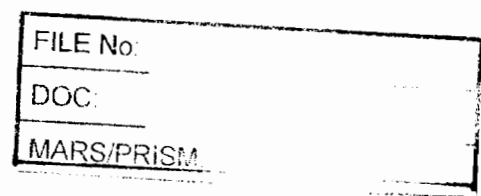
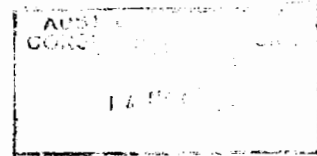


PACIFIC COAST BASEBALL LEAGUE INC.

Affiliated To The NSW Baseball League Inc.

7 March 2006

Mr Gavin Jones
Director
Adjudication Branch
Australian Competition & Consumer Commission
GPO Box 520
MELBOURNE VIC 3001



Dear Mr Jones,

Re: Review notification N90853 by the Australian Baseball Federation Inc.

I refer to your letter dated 14 February 2006, in respect of submissions on the review of the ABF Licensing and Merchandising Program.

I will address several items, all of which continue to outline our position that this program is NOT in the best interest of baseball in Australia. The PCBL does NOT support the ABF policy.

The Pacific Coast Baseball League operates 2 seasons annually, summer (sep-Mar) and winter (Apr- Aug). This summer we have a total of 18 registered clubs, which provide 112 teams comprising of 1,353 players, last winter we had 16 registered clubs, which made up 72 teams comprising of 877 players. By any analysis the PCBL is the largest league in Australia. The ABF has no jurisdiction over an incorporated body, as there are no terms of affiliation between leagues/associations and the national body. The PCBL policy on compliance is left at the discretion of each club, the PCBL does not monitor the program. In respect of NSW, the only competition which complies are the one operated by the NSW Baseball League, the NSWBL Major League, comprising of 10 clubs, with 40 teams and about 500 players, plus the junior representative competitions.

It is a widely accepted view that the Licensing and Merchandising program, at least in NSW, is not supported and it is questionable as to whether the ABF has any enforcement or compliance capability over independently incorporated baseball clubs and leagues/associations. It is worth noting that, NSW which represents nearly 40% of the baseball community in Australia, only has one (1) licensed metropolitan uniform supplier, as many would not enter into the agreement.

You would be aware that the ABF has cancelled the arrangement with BALME, and is now operating this program itself. Much of the reasoning is because of the lack of support this program enjoys across Australia and the high operational costs. Worth noting is the reference made in Alan Weir's letter about the use of funds, however the monies were not sourced from the program, these were the contractual fees paid by the ABF to BALME to manage the program, this represented a cost to the ABF with they absorbed from their own resources. The reference on the benefits to Victoria is misleading in that it suggests there is a merchandising benefit, which in fact was from the management fee received and not a share of the licensing fees.

Your letter makes reference to the overall cost component of the cost of 'playing baseball'. I am attaching a schedule which sets out the costs levied by the national (ABF) and state (NSWBL) bodies. These costs are in addition to costs from a league/association, a club, equipment and uniform. As you can see there has been a substantial cost increase over the past 2-3 years. Also worth noting is that the ABF reduced the benefits of its insurance policy to Public Liability and Disability, cancelling the Excess Medical Cover and Loss of Income, this was done with no relevant reduction of their insurance fee component. Many local leagues/associations were forced to take up these policies themselves, again being forced to increase the cost to the registered player. I believe that there has been an increase in the cost of baseball over the past 4-5 years and the charges by the ABF/NSWBL are 67% higher.

Your letter also makes reference to the 'supply of logos'. This was stated at the start of this program, nearly 3-4 years ago, but there has never been a supply provided. Albeit not many clubs would have asked for a supply, but those who did, did not receive any.

Since the start of the program there has been a perception that monies have been distributed to the member states. I have reviewed the accounts for the NSW Baseball League Inc. for the years ending 30 April 2003 and 2004 and to the 31 March 2005. Other than \$454.55 shown for the year ending 2003, the accounts DO NOT show any funds being received from the ABF in respect of NSW's share of the funds arising from the Licensing and Merchandising program. I enclose copies of the financial pages contained in the Annual Reports for your perusal. Note the \$7,500.00 shown under the comparatives for the 2002 year is not in respect of this license.

In respect of your specific questions:

1. The PCBL does not consider that there is any financial benefit arising from this program. There is nothing targeted to be filtered to local leagues/associations and clubs, only to the state bodies. And no funds have been received. Realistically, the costs of the program outweigh the returns, part of the reason for the ABF to rescind the BALME management contract.
2. There is a mayor detriment in respect of the Licensing and Merchandising Program. Although this is not evident in the uniform (clothing) area, as many suppliers are not licensed and those who are, may supply uniforms at an ex-license cost at the request of the club. There has been a significant increase in the cost of equipment, particularly in baseballs, since the limited numbers of importers/suppliers have entered into a license with the ABF. However it should be noted that the 'motivation' is not principally the licensing but the exposure the ABF can provide a large global manufacturer in respect of the world baseball scene with the Australian representative team.
3. The only impact the change in the administration of the program would have under the ABF would be its continued demise. The ABF is not geared to manage nor provide any compliance for the program. The change in management was not driven by a better structure it was solely a matter of cost which the ABF was contractually obliged to pay irrespective of the returns.
4. It has been the view of the PCBL and that of its affiliated clubs that the Licensing and Merchandising program is NOT in the best interest of baseball for Australia. It is a divisive program that is a major impasse in the promotion of baseball.

This submission would be the one of several communications send by the PCBL in respect of this matter. All of which have been AGAINST the continuation of exemption provided by the ACCC in respect of the competition provisions of the Trade Practices Act 1974. We are of the view that the material supplied by the ABF to the ACCC is misleading and inconclusive and designed to give an impression that 'all is well' with the Licensing and Merchandising Program.

The PCBL trusts that your office fully reviews all material, in particular audited financial accounts, plus seek input from the 'suppliers' who are current parties to the agreement to get a first hand view of the facts and consequences of this program.

Yours sincerely



Luis Almenara
President

ABF & NSWBL (including Insurance) Fees Schedule

BASEBALL PLAYER REGISTRATION FEES

SENIORS							
	1/09/2005	1/04/2005	1/09/2004	1/09/2002	1/09/2001	1/09/2000	1/09/1999
Insurance	22.00	24.00	24.00				
ABF	11.36	11.36	11.00				
NSWBL	54.64	54.64	19.00				
Total	88.00	90.00	54.00	0.00	0.00	0.00	0.00
GST	8.80	9.00	5.40	0.00	0.00	0.00	0.00
TOTAL	96.80	99.00	59.40	39.70	36.00	28.00	23.00
% Rate of Increase		(2.22)	66.67	49.62	10.28	28.57	21.74

JUNIORS							
Insurance	9.45	10.45	11.50	9.00			
ABF	2.91	2.91	2.00	1.50			
NSWBL	30.63	30.63	11.50	9.50			
Total	42.99	43.99	25.00	20.00	0.00	0.00	0.00
GST	4.30	4.40	2.50	0.00	0.00	0.00	0.00
TOTAL	47.29	48.39	27.50	20.20	15.00	14.00	13.00
% Rate of Increase		(2.27)	75.96	36.14	34.67	7.14	7.69

TEE BALL							
Insurance	9.45	10.45	11.50				
ABF	1.55	1.55	1.00				
NSWBL	15.00	15.00	2.50				
Total	26.00	27.00	15.00	0.00	0.00	0.00	0.00
GST	2.80	2.70	1.50	0.00	0.00	0.00	0.00
TOTAL	28.80	29.70	16.50	n/a	n/a	n/a	n/a
% Rate of Increase		(3.03)	80.00				

n/a indicates Not Available

NOTES: Substantial decrease of Insurance benefits with LOI and Medical Excess being removed in the year 1/9/2001

In 2001 the ABF abolished the Excess Medical and Loss of Income Insurance from the policy. Taken up by NSWBL

In 2002 the NSWBL abolished the Excess Medical and Loss of Income Insurance from the policy. Taken up by PCBL in 2004.