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22<sup>nd</sup> April 2010

FILE No:
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Your Ref: N93402

Dr Richard Chadwick,  
General Manager,  
Adjudication Branch,  
Australian Competition and Consumer Commission,  
GPO Box 3131, Canberra, 2601.

Dear Dr Chadwick

**Third line forcing notification N93402 approved by the Australian Competition & Consumer Commission**

I refer to your correspondence received 7<sup>th</sup> April 2010 and would take this opportunity to respond to your question of our intentions for the future of the program and also to the concerns put to you by the Hon Arch Bevis MP.

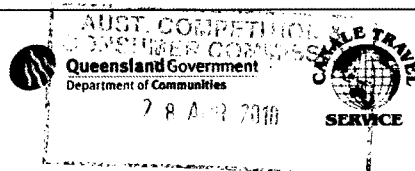
The current cycle of the State Marketing Program concludes 30<sup>th</sup> September 2010 and it is our intention to survey our Members and Associate Clubs, and Licencees to review the suitability and possible alternatives. That process will commence after the Board's next meeting on the 30<sup>th</sup> April. We expect that should the program continue in its current form, a submission will be lodged with the ACCC before the end of July, to allow a reasonable time for process prior to expiration of the current term.

In answer to your question about other complaints, to my knowledge, there has been one other written complaint which alleges that Clubs are paying a premium for apparel purchased under the conditions imposed by the Program. In our visits to Clubs and Competition Administrators around the State, I can report that it is not a matter of interest that is raised in our discussions with stakeholders, leading me to believe the Program is considered by them to be fair and a useful tool to fund various programs of which, they are the beneficiaries.

It is also appropriate to report to you that the financial performance of The Company during the period since legal immunity was conferred has been collectively, a small deficit so any inference that we are using the program to grow wealth is absolutely refuted. Conversely, not having the program would have restricted our ability to fund new initiatives, which have been widely applauded.

To address the specific issues raised by Mr Bevis, I respond as follows:

1. I regret not placing more importance on first receipt of Mr. Bevis' concerns and am happy to make personal representation to him.
2. Our communication to ACCC was initiated by your advice 4<sup>th</sup> March, 2008 ref 579198, not by submission from Mr. Bevis.



3. Other FFA Members in South Australia, Northern Territory, and Tasmania intend to introduce programs replicating Queensland's. New South Wales operate a retail outlet which we believe, is less efficient than our licencees, all of whom either manufacture or import, supply direct to our Clubs avoiding a margin less than the combined wholesale and retail as traditionally existed.
4. In 2008, thirteen licencees were approved, currently there are nine active due to insolvency and withdrawal from the market. Football Queensland has not attempted to fill those vacancies on advice from Counsel. The product must be purchased from a Licencee and there is no obligation for a Club to replace that product if that Licencee withdraws for any reason. A playing strip may have an effective life of five years, even if that Licencee withdrew after year one and the licencees are reviewed on three year cycle, not annually as claimed.
5. The submission on the safety aspects particular to goalkeepers infers that the nine brands and variety of options within those brands are unsafe which our Licencees would refute, but I am happy to present the submission to the review process for consideration.
6. The opinion proffered that SELLS is a superior brand to those offered in the State Marketing Program is subjective and a single opinion. We do not accept that the Program disadvantages goalkeepers or compromises their safety.
7. Undergarments are outside the State Marketing Policy provisions and we make no representation in that regard. The FIFA Laws of the Game demand undergarments be the same colour as the playing strip, but is an area outside Football Queensland's jurisdiction.
8. We enjoy mutually beneficial relationships with both our Licencees, and sports retailers with Rebel Sport (not a licencee) holding the naming rights to our elite player League.
9. The registration costs levied by Football Queensland which include National Capitation fees, all Club insurances, and personal accident cover for eighteen and under is \$34. Replacing the proceeds of the marketing program by raising levies would have a significant impact on this amount.
10. The submission of views presented on a community forum as being representative of general opinion is fallacious. Those opinions are void of any understanding of our business and ignore the value that the proceeds of this Program contribute to benefits back to community football. Again, we are happy to test the community by inviting submissions.

The submission from Mr. Bevis ignores our ambitions to maintain minimum standards to playing apparel and equipment, and that our Socceroos goalkeeper, Mark Schwartzter uses Uhlsport equipment, one of our licenced brands. Our experience has been that the competitive nature of nine Licencees operating in a limited market has in fact, decreased the costs to Clubs.

I will keep you advised of progress and the outcome of our review.

Yours sincerely



Geoff Foster  
Chief Executive Officer