

Australian
Competition &
Consumer
Commission

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Our Ref: C2008/678 Contact Officer: Hew Atkin Contact Phone: 02 6243 4938

[by email] 25 \05 \"

Dear Sir / Madam

## Football Queensland Limited – exclusive dealing notification N93402 – interested party consultation

The Australian Competition and Consumer Commission (the ACCC) received an exclusive dealing notification from Football Queensland Limited (FQ) in 2008 concerning the operation of the 'Teamwear' program.

The ACCC is currently undertaking a review of these arrangements and considers you may be interested in this matter and invites you to comment on the notification. Attached is a summary of the notification process and a description of how to make a submission to the ACCC.

## FQ's Teamwear program

As you may be aware, FQ has notified an arrangement with the ACCC under which FQ requires football clubs participating in FQ competitions to use only 'Teamwear' from licensed suppliers. Teamwear includes tracksuits, playing shirts, playing shorts, playing socks and balls. In the event that licensed products are not used in matches in FQ competitions, the following penalties are imposed:

- first breach \$500
- second breach \$1000
- third and further breaches \$2000 per non-compliance and a show cause notice as to why affiliation should not be cancelled.

A copy of FQ's notification and supporting submission is attached. Other correspondence relating to this notification can be accessed via the ACCC's public register at: <a href="https://www.accc.gov.au/ExclusiveDealingRegister">www.accc.gov.au/ExclusiveDealingRegister</a>.

## Request for submissions

The ACCC invites you to make a submission on the likely public benefits and effect on competition, or any other public detriment, from the conduct. In particular, the ACCC is interested in comments on the following:

- The ACCC understands that Teamwear apparel is provided to clubs by your business under a non-exclusive licence entered into with FQ. It would be appreciated if you could provide details of the overall cost to your business of this licence, including the requirement to obtain the 'Q' logo. In particular, the ACCC seeks your view on the impact of these costs on your wholesale and retail pricing for Teamwear apparel.
- Please provide any pricing comparisons with similar non-licensed products (i.e. products without the FQ "Q" logo).
- Has the FQ licensing program ensured a minimum quality standard for Teamwear products? If possible, please provide any quality comparisons with similar nonlicensed products (i.e. products without the FQ "Q" logo).
- Please provide a description of the tender process used by FQ for granting new licensees to the Teamwear program in 2010. For example, what criteria did you need to satisfy in order to be selected as a licensed supplier?
- In your experience, is the current range of FQ Teamwear products available sufficient for the needs of football clubs?
- In your experience, has the FQ licence program made it easier for clubs to obtain supplies of football equipment and apparel?
- Please provide any other comments you consider relevant to this matter.

If you intend to provide a submission in relation to FQ's notification, it would be appreciated if you could do so by **10 June 2011**. Alternatively if you would like to provide comments orally, please contact Hew Atkin on 02 6243 4938 or Susan Philp on 02 6243 1347.

Submissions, including oral submissions, will be placed on the ACCC's public register subject to any request for exclusion (guidelines are <u>attached</u>).

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding the notification.

This letter will be placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Hew Atkin on 02 6243 4938.

Yours sincerely

Susan Philp Director

Adjudication Branch

## List of interested parties – Football Queensland Limited – exclusive dealing notification N93402

Adidas
Alanic Group
Attack Sports
Covo Sports
Eurodirect
Gorilla Sports Pty Ltd
Living Edge Designs & Apparel (LE)
Mitre Sports
Nike
NSB SPORTS
ONLY SPORT
Soccer Shirts International (SSI)
Statewide Sports (Uhlsport)
Veto Sports

Sent 25 MAY 2011 #