



Samford Sporting Association

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Australian Competition and Consumer Commission

09/06/2011

By email

Susan Philp/Hew Atkin

Re Football Queensland Ltd exclusive dealing notification N93402
Your email on the subject matter 25th May 2011

Dear Ms Philp, Mr Atkin,

On behalf of the Samford Sporting Association Inc. T/A Samford Rangers Football Club, I am making a submission in respect to the above mentioned case.

In respect to the exclusive dealing set up by Football Queensland (FQ), we raise the following concerns as the current arrangement in our opinion interferes and restricts competition resulting in additional costs to the clubs.

- 1) The FQ licensing agreement is restricting the number of suppliers accessible to the club, and the club is not in a position to influence this process.
- 2) The duration of the FQ arrangement limits and restricts the negotiation potential in respect to long-term sponsor and supply agreements.
The club is basically restricted in entering into any direct agreement with a licensed supplier during this term. The club is not in a position to bear the risk of a supplier not being able to secure a license renewal. Any agreement beyond the FQ term bears the risk for the club to be bound by the agreement but not being able to use any of the supplies, as they have become non compliant under the FQ regulations. It is our understanding that FQ will accept any existing gear but does not consider any new gear to be compliant. Likewise the club has to wait until FQ has come to a decision which supplier will receive a license, before any direct negotiations can be kicked off.
- 3) FQ requires their Q logo on all parts of the team apparel and coerce the suppliers to buy it from its approved supplier at a much higher cost. While the earlier requirement can be accepted to a certain degree the latter one is unacceptable, as FQ through its logo supplier, dictates an unrealistic price several times higher than the cost the supplier can offer the same logo if allowed on a competitive basis. Such cost will be directly passed on to the club without the chance to avoid them or get the option to get competitive pricing.

The club is a not for profit organisation and any unnecessary cost is a huge burden for any such organisation. The Q logo arrangement in particular and the entire licensing set up is a hidden fee arrangement which lacks the transparency and which is not based on the members, but rather arbitrary aspects unilaterally determined by FQ. It is not apparent to the club that the FQ scheme



provides that level of benefits claimed in the application that it justifies the restriction in competition and free market access to the club for its team apparel.

Best regards,

A handwritten signature in cursive script, appearing to read 'Thomas Scherer'.

Thomas Scherer
Secretary