

10th June 2011

Susan Philp
Director, Adjudication Branch
ACCC
23 Marcus Clarke St
Canberra

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Dear Madam

YOUR REFERENCE C2008/678

RE Football Queensland Ltd – exclusive dealing notification N93402

We acknowledge receipt of your recent communication and respond to your request for information below;

1. Licences were granted for a period of three years most recently renewed from 1st October 2010. Expressions of interest were called and a register of interested suppliers who had made contact with us during the period of licence were contacted and advised of the calling for applications. After examination of product offered and assurances on financial stability, applications were processed with none being rejected.
2. We conducted examination only of that product where an application for licence had been received as our responsibility is to guarantee the quality of only the product coming into the market in which we have influence.
3. With thirteen licences taken up, there are strong competitive tensions between the Licensees which drive them to minimise margins. Further to that, some Licensees have been innovative in offering benefits with discounted (even free of charge) product to buy loyalty from Clubs. We often see product in the retail stores at a considerable premium, often greater than double the price, of that offered to our Clubs. Licensees are prohibited from adding a premium for application of the "Q" logo.
4. Most Clubs are administered by time poor volunteers. Licensees offer flexible service and will often visit a club Committee out of traditional business hours and at the Club's convenience. Clubs are guaranteed that they are purchasing a quality garment or product which gives assurance to those without experience in the apparel or football equipment industry.
5. Revenues generated from the licence program have been spent in many ways not limited to supply of equipment, providing many thousands of coaching courses free of charge, providing administrative support to assist Clubs in writing grant applications and paying for administrators in regional areas.





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We further submit that the program is essential to allow us to service existing programs to Clubs. In the period from 1st October 2007 to 31st December 2010, the Company has reported a modest surplus of \$45061 after a contribution to revenues from Licensees of approximately \$800,000. To suggest this could be replaced by increasing player levies by one or two dollars is fallacious. Our sport of soccer football competes unfavourably in cost of participation against the other football codes and we are conscious to hold our these costs to a minimum. Evidence of our good work can be measured against other State Member Federations who levy considerably more that Football Queensland.

We are advised by our suppliers that the licence model is commercially effective as they can access the market efficiently and without need for extensive marketing and advertising.

We address the concern raised by Mr Bevis about limited availability of goalkeeper apparel by advising our thirteen licencees offer fifty six styles of jersey and his complaint citing limited range is the only one we have received. Interestingly, one of the program critics as identified on the TRSC forum name Adidas as a preferred option when they in fact hold a licence. Safety standards for the game are set and monitored by FIFA, the games governing authority.

Yours sincerely,

Geoff Foster
Chief Executive Officer

