

The General Manager Adjudication Branch Australian Competition and Consumer Commission GPO Box 3131 Canberra ACT 2601

Attention: Mr David Hatfield

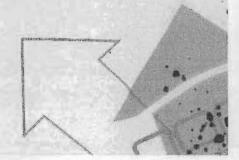
RE: Football Queensland Ltd-exclusive dealing notification N93402

Dear David,

I have earlier supplied information through Hew during a phone interview which is noted on the Public Register outlining my reasons for support of the Football Queensland Marketing Program.

I was therefore surprised and disappointed to receive the Draft Notice, which appears to dismiss my advice in favour of "conflicting anecdotal information" clause 5.63 on page 24 of your advice. I state categorically that my business operates with one price list which is made available to all of my customers be they affiliated to Football Queensland or not. This is not a question, but a statement, and I further confirm most licensees operate the same way. I have already sent a hard copy price list and catalogue to Hew and happy to send another immediately if that one is lost. All prices in the price list are for anyone wishing to purchase from Gorilla Sports Pty Ltd, whether licensed or unlicensed.

The cost of the license is a selling overhead to our business and should the Program not continue, we would invest that cost in another strategy to maintain and grow market share. That is how business operates. Affiliate clubs would be



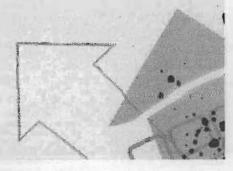


no better off as we have never included the license fee as an add on to our published price.

It is also relevant to note that although the market is price sensitive, it would be wrong to conclude it is price driven. Our range for short and shirt set ranges from \$10 to \$70 per set depending on your selection. We find that range, reputation, and reliability are all deciding factors with clubs. We have a good share of the football market in Queensland which has been built on 25 years of working with and understanding the needs of clubs. Value is measured over the serviceable life of a football or garment relative to the price. That the ACCC would not respect our view and experience or at least note our continued service to the sport I played and love, defies reason.

I have injected back into FQ and their members easily over 1 million dollars throughout the 25 years of my company's existence. The issue at hand is that this will open up the floor to new companies where there will be no governing body that will push accountability onto them and there is a possibility that there will be no quality control, proper guarantees, servicing, overnight companies that are there to take money and run etc. Currently there is a comeback for the clubs (Football QLD – the governing body), if there are issues with the supplier then they are there to protect their members. When there is no control there is anarchy.

Sponsors and supporters require a standard of presentation and quality if they are to commit their dollars. My business is both a supplier and sponsor so to adopt a simplistic measure of benefit the program delivers would be unfair to the program. We supply goods free of charge and significant support services to customer clubs which your conclusions do not measure or value.





I am happy for this response to be included on the Public Register.

Yours sincerely,

Mike Hayes

**Managing Director** 

Gorilla Sports Pty Ltd