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PUBLIC REGISTER**

From: [REDACTED]
Sent: Friday, 30 September 2011 12:39 PM
To: Adjudication
Subject: FOR REVOKING FOOTBALL QLD IMMUNITY TO CONDUCT EXCLUSIVE DEALINGS

TO WHOM IT MAY CONCERN

Further to phone call with Alex from ACCC today, I wish to act in favour of revoking Football Queensland's immunity to conduct exclusive dealings.

The reasons for this include;

1. Anti Competitive Nature of the Dealing Arrangement: Currently only 11 suppliers of sportswear are licensed to supply Queensland Football Clubs with apparel. These 11 suppliers are supposed to be expected to service all Clubs spread over an enormous geographic region, in a way that delivers a product that meets the budget, design, time requirements of each customer. I strongly believe that by limiting the number of suppliers of apparel to clubs, that clubs can not obtain a product and service of the same level offered by non-licensed dealing arrangements. Secondly the exclusive dealing arrangement is a significant operational setback to the majority of apparel manufacturers / suppliers who are prevented from participating with / competing for business with Sports Clubs - resulting in financial hardship.

2. Inconsistent quality outcome: The 11 existing licensees are likely a mix of SME's and possibly even some larger brands resulting in quality variance. In order for Football Queensland to legitimately claim that quality and consistency are of a benchmark standard, they would need to prove that they have benchmarks (ie. fabric performance, standardization of sizes, workmanship standards, warranties, etc). If they are not managing quality in this way, they are not adequately satisfying this criteria.

3. Higher prices and reduced value for money: The anti-competitive nature of the exclusive dealing arrangement in this case would result in clubs not being able to access potentially better products and prices from non-licensed suppliers. I am confident to say that our sublimated playing tops are 20-30% less than licensed suppliers because we have a supply chain strategy that is better than our competitors. Additionally Football Queensland would receive a commission for all orders placed by clubs with licensees (perhaps 10% of sales) but with minimal value to the clubs. Licensees would factor this commission fee into the prices charged to clubs. Therefore I would expect that licensed product would cost 30-40% more than our products.

4. Funding initiatives offered by Football Queensland to clubs are not necessarily offering better value for money than sponsorship programs offered by non-licensed suppliers. It is common practice to offer sponsorship to clubs, which can include free merchandise (which can be sold to generate income for the club), discounts, and other fiscal incentives. The value of sponsorship could be 5-15% of the order value depending on the type of club and motivation of the supplier. I am unaware of the

funding provided to clubs by Football Queensland, however the administration cost of running Football Queensland would likely result in the funding to clubs being diluted.

I welcome any questions, and can be contacted on [REDACTED] or the contact details below.

Regards,

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