

Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N99348 Essendon District Football League Inc.

- (b) Short description of business carried on by that person:
(Refer to direction 3)
The Essendon District Football League (EDFL) is a not-for-profit community sporting organisation based in Melbourne.

- (c) Address in Australia for service of documents on that person:
Level 1, 78A Napier Street, Essendon VIC 3040

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

On-field apparel for Jumpers, Shorts and Socks.

The process followed is an affiliated football club will place an order for on-field apparel through the EDFL. This order is then placed with an apparel supplier by the EDFL. The apparel supplier produces the garments ordered which is delivered directly to the respective football club. The supplier sends an invoice to the EDFL which is paid within the 30-day trading terms. The EDFL will then invoice the respective club for the goods, with the invoice to the clubs having 60-day terms for payment.

The rationale for undertaking this process is:

1. Quality assurance
2. Benefits to local economy by through local manufacturing and employment
3. Cheaper prices to clubs through economies of scale and guaranteed payment to suppliers within trading terms
4. Extended trading terms to affiliated clubs with the EDFL effectively carrying the debt of the clubs, easing cash flow pressure on affiliated clubs

(b) Description of the conduct or proposed conduct:

Exclusive supply of on-field team wear to member clubs through certain supplier(s).

(Refer to direction 4)

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

(a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)

Affiliated member clubs of the Essendon District Football League

(b) Number of those persons:

(i) At present time:

There are 31 clubs fielding teams in the Essendon District Football League currently. These 29 clubs fielded a combined 334 teams in season 2016.

(ii) Estimated within the next year:
(Refer to direction 6)

It is estimated that the number of clubs and teams will be of a similar number within the next 12 months. There is no significant increase or decline predicted.

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Each club fielding teams in the EDFL in season 2016 are:

Club	Address
Aberfeldie Football Club (FC)	7C Batman Street, Aberfeldie 3040
Airport West FC	27A Etzel Street, Airport West 3042
Avondale Heights FC	2 Canning Street, Avondale Heights 3034
Burnside Heights FC	Tenterfield Drive, Burnside Heights 3023
Coburg FC	Russell Street, Coburg 3058
Coburg Districts FC	Cumberland Road, Pascoe Vale 3044
Craigieburn FC	Craigieburn Road, Craigieburn 3064
East Keilor FC	7B Parkside Avenue, Keilor East 3033
East Sunbury FC	155 Lancefield Road, Sunbury 3429
Essendon Dousta Stars FC	Cooper Street, Essendon 3040
Glenroy FC	33 Glenroy Road, Glenroy 3046
Greenvale FC	185 Section Road, Greenvale
Hadfield FC	Box Forest Road, Hadfield 3046
Hillside FC	Landscape Drive, Hillside 3037
Jacana FC	Lorraine Crescent, Jacana 3047
Keilor FC	Old Calder Highway, Keilor 3036
Keilor Park FC	Stadium Drive, Keilor Park 3042
Maribyrnong Park FC	48 The Boulevard, Moonee Ponds 3039
Melbourne Uni FC	Morrison Close, Parkville 3052
Moonee Valley FC	2A Pattison Street, Moonee Ponds 3039
Northern Saints FC	12 Creedon Street, Fawkner 3060
Oak Park FC	Francis Street, Oak Park 3046
Pascoe Vale FC	Landells Road, Pascoe Vale 3044
Roxburgh Park FC	55 Lakeside Drive, Roxburgh Park 3064
Strathmore FC	Mascoma Street, Strathmore 3041
St Francis FC	Pascoe Vale Road, Pascoe Vale 3044
Taylors Lakes FC	Lionheart Avenue, Taylors Lakes 3038
Tullamarine FC	60 Spring Street, Tullamarine 3043
West Coburg FC	20 Woodlands Avenue, Pascoe Vale South 3044
Westmeadows FC	Mickleham Road, Westmeadows 3049

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

Previously, EDFL clubs were paying varied prices for on-field apparel, with bigger clubs with greater purchasing apparel for a lower cost than smaller, more vulnerable clubs. The EDFL having exclusive suppliers allows the EDFL to negotiate lower prices for on-field team wear than what individual clubs can.

In 2013 clubs were paying the following prices for on-field jumpers (all prices include GST):

Item	Range of Cost previously paid by EDFL Clubs
Jnr short sleeve jumper	\$38.50 to \$46.20
Snr short sleeve jumper	\$45.10 to \$52.80
Jnr long sleeve jumper	\$47.30 to \$51.70
Snr long sleeve jumper	\$53.90 to \$58.30

Through the rationalisation of economies of scale, the EDFL can provide all affiliated clubs with the following prices for on-field jumpers:

Item	Gross Cost to Club	10% Rebate to Club	Net Cost to Club
Jnr short sleeve jumper	\$42.00	\$4.20	\$37.80
Snr short sleeve jumper	\$46.00	\$4.60	\$41.40
Jnr long sleeve jumper	\$48.00	\$4.80	\$43.20
Snr long sleeve jumper	\$52.00	\$5.20	\$46.80

As evidenced by the costs above, the net price paid by clubs, once receiving a 10% rebate on purchases, ensures that all clubs are paying less for their apparel through the realisation of economies of scale. In some instances, clubs are paying over \$10 per jumper less than they did in the past.

It is a similar scenario with on-field shorts and socks. In 2013 clubs were paying the following costs:

Item	Range of costs previously paid by clubs
Socks	\$10.45 and above
Shorts	\$25.30 for sublimated shorts; \$20.79 for panel shorts

By realising economies of scale, the EDFL can provide clubs with shorts and socks at the following prices:

Item	Gross Cost to Club	10% Rebate to Club	Net Cost to Club
Socks	\$11.50	\$1.15	\$10.35
Sublimated shorts	\$22.00	\$2.20	\$19.80

In all instances – Jumpers, Shorts and Socks, the EDFL is able to reduce the net price paid by affiliated clubs by realising economies of scale.

The costs paid for by clubs allows the Essendon District Football League to also benefit financially. By selling the team wear at the above listed prices, the EDFL generated \$25,042.25 in income in 2014 and \$20,437.59 in income in 2015. This combined \$45,479.84 is a considerable revenue stream for the Essendon District Football League, allowing the league (a not-for-profit organisation) to lessen its reliance on its affiliated clubs through the affiliation fees that the member clubs pay to the Essendon District Football League to coordinate the competition in which the affiliated clubs compete.

The EDFL paying the invoice from the supplier ensures that the supplier is paid within 30 days (which allows the EDFL to negotiate better prices with the supplier knowing that they will receive their money within their trading terms, something that is a constant issue for organisations that deal with football and other sporting clubs). The EDFL then will give our affiliated clubs 60-day payment terms for their goods received. This provides our affiliated clubs with extended trading terms to alleviate cash flow issues that sporting clubs face.

All suppliers used manufacturer their garments in Australia. This ensures a benefit to the Australian economy. It is known to the EDFL that one of our suppliers, Grashan Sportswear, employed a local person as Business Development Manager as a direct result of the company's association with the EDFL.

(b) Facts and evidence relied upon in support of these claims:

The information on the cost paid by clubs in 2013 for team wear is based on information provided by suppliers of EDFL clubs at that time.

The prices that the EDFL is able to supply to clubs are the actual prices at this current point in time.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

On-field apparel suppliers to Australian Football is the market in which the goods are supplied.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

The Essendon District Football League considers that limited public detriment results from the above conduct:

- There are no existing contracts in place between clubs and suppliers, nor between the EDFL and suppliers
- Clubs pay less for team wear as a result of rationalising economies of scale
- There are no licence fees applicable to licenced suppliers
- Sample products are required by suppliers before entering into any formal arrangement by suppliers to ensure quality.

- (b) Facts and evidence relevant to these detriments:
Information as supplied in 4a.

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Marc Turri

78A Napier Street, Essendon VIC 3040
Ph: 03 9372 7785
Mobile: 0419 377 897
Email: marc.turri@essendonfl.com.au

Dated: 15 September 2016

Signed by/on behalf of the applicant

A handwritten signature in blue ink, appearing to read 'M. Turri', with a horizontal line extending to the right.

Marc Turri
Essendon District Football League
Chief Executive Officer

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.