



## **ASGA's Chairman's Report 2007**

- The 2006/07 Membership year will be remembered as one where ASGA has taken some serious steps into becoming a truly recognised Industry Association.
- The ASGA Board correctly decided that certain industry "issues" needed to be tackled at higher levels and in consultation with Crosby Textor, a Government Relations and Research Strategists company, embarked on a political lobbying campaign.
- Armed with the strength of statistics from a public opinion polling research project, indicating Australian's strongly believe the burgeoning community health issue - childhood obesity, could be positively influenced with the compulsory introduction of P.E. in primary schools across Australia, ASGA headed to Canberra.
- Using the expertise of Crosby Textor's staff, ASGA began meetings with Federal Members of Parliament to discuss the issue with the aim of influencing policy direction leading into the 2007 Federal Election.
- In a political sense these meetings in Canberra have put ASGA on the map and both the Coalition and Labour Governments are very much aware of who ASGA is and what we are about.
- At the time of writing my report, no direct policy has been announced by either party, however I believe their have been a number of positives that have come out of these meetings and further believe the Federal Government will continue to take ASGA seriously when additional issues are raised due to the strength and professionalism of our presentations at these initial meetings.
- I certainly have not given up hope that ASGA Members will benefit from this exercise with both sides of the Government taking our research on this matter and solutions for remedy very seriously.
- The political lobbying campaign was also supported with a public awareness Campaign. This Campaign, headed with the strap-line "*ALL KIDS NEED P.E. TEACHERS – Get with the program*", involved many Members and especially individual retailers who were asked to write to their local Federal Member of Parliament, as well as providing supporting POS material to customers.
- In addition to the issue of childhood obesity and how it is influencing the sporting goods industry, ASGA has also combined resources with a number of other industries to tackle the problems associated with counterfeit, parallel importation, safety standards and the avoidance by many businesses paying import duties and GST on imported goods and thus trading on a "uneven" playing field with legitimate Australian businesses.
- The fastest growing area for the distribution of these Grey Market and Counterfeit goods are Online Marketplaces. Despite repeated approaches from industry bodies, they claim to only facilitate a marketplace, and deny responsibility for the illegal transactions which take place on their sites.



- The sheer volumes involved mean that the current “detect and notify” process by brand owners does not work. Indeed, eBay is probably the best at complying with this system – many others are completely non-compliant.
- On both a quantitative and qualitative basis, there is:
  - ❖ Strong support for greater regulation of online marketplaces;
  - ❖ Strong support for tougher enforcement of safety, compliance and warranty standards on parallel imported goods; &
  - ❖ Strong support for prosecuting habitual facilitators of counterfeit trading (internet sites, markets etc)
- Retail members of organisations like ASGA and the AMA display a heightened level of concern about these issues.  
From their perspective, another key issue is a level tax playing field – many of these sellers are paying no GST or income tax.
- ASGA is now involved in a number of “joint industry submissions” to Government to highlight the affect of these issues on our respective Members and our collective industries as a whole, as well as providing suggested solutions to minimise further impact. (e.g. “Strengthening Anti Counterfeiting Law in Australia” – joint submission prepared by Stephen Stern – Corrs Chambers Westgarth Lawyers and the “Industry Proposal to Online Market Place Operators on the sale of IP Infringing goods and other related issues” – prepared by the Music Industry Piracy Investigations (MIPI).
- In other developments, ASGA’s Executive Director is a Member of the newly formed Australian Golf Industry Council (AGIC) which was formed to provide a collective voice for the golf industry in Australia. Sean’s role on the Council is to represent the wholesalers, manufacturers and retailers who form an important piece of the Australian golf industry.
- To finance these additional projects ASGA has undertaken in the past year, a new Premium Membership model was initiated, paving way for 10 premium Members to become involved, providing much needed financial resources. At the top, our Gold Level Premium Members are adidas Australia and Rebel Sport, our Silver Members are ASICS Oceania, New Balance, Nike and Puma and our Bronze Members are ARL – Sports Power, Dunlop/Slazenger, Foot Locker Asia Pacific and Sportsco. All of our Premium Members need to thanked for their support and congratulated on taking the lead by setting the example to the rest of industry, advocating the benefits of a functional industry Association.
- In addition to the Premium Members financial assistance, industry Members were asked to pay increased Membership and Subscription fees this year. Although I believe ASGA fees to be extremely reasonable, I do appreciate the financial investment you make and I would like thank all Members for their financial support.
- From a market intelligence perspective, new surveys for the New Zealand Golf Market were introduced and an Inflatable Ball Survey was launched, providing valuable market information for the sale of Soccer Balls, Netballs, Basket Balls and Volley Balls. The Footwear survey has continued to provide more valuable information with the addition of price point data for the categories of Running, Cross Training, Football Boots and Athletic-Leisure.



- In an important step for the brands involved, adidas, Nike, New Balance and ASICS are sharing amongst themselves, their individual wholesale market share data for the footwear survey categories.
- Our Executive Director was able to add to the ASGA Human Resources, employing Nikki Wynd as the office administrator. Nikki has added much value and assistance to Sean and I am sure all Members have been in contact with Nikki over the recent months.

We should be very proud of our shared achievements over this past year, and very excited by our future. One of my personal highlights was our progress in public policy lobbying and the launch of our 'get with the program' public influence campaign. Crosby Textor have done a great job in putting the project together, and in their lobbying capabilities, supported now by Royce Communications with their Public Relations campaign. We do need to be patient and committed with this priority strategy, both emotionally and financially. This will remain our #1 'grow our industry' focus going into 2008.

I would like to acknowledge the energetic and valuable support of our current Board members, Ian Fullagar, Stretch Kontelj, Peter Fiddes, Mark Abeyaratne and Chris Morgan. Thank you and well done.

I would also like to thank and congratulate our Executive Director Sean Cary on a year of outstanding accomplishment that provides exciting benchmarks for performance as we continue to build our momentum and influence networks.

This AGM will be the last for Kevin Roberts as a Board member. His personal passion and commitment to everything ASGA has done over the past 4 years cannot be overstated. He expressed a great desire to be involved when he joined Adidas and immediately had a major impact on our potential future.

Yes, we had put together a 'fresh start' strategic plan, however without his 'new financial framework' vision, backed up by a significant financial commitment from Adidas (then supported at various levels by other major brands), it is arguable that we may not be sitting here today. Without this meaningful financial income, previously severely lacking, we would not have been able to employ a full-time Executive Director and execute our strategies. They would have remained simply a dream. Kevin, thank you for your input and actions over the past 4 years. You have been a great support, initially to myself trying to build the base and then driving and shaping our Mission, Vision and Key Strategies, KPI's etc as well as being the in-house accommodation provider and support to Sean and now Nikki. You have been a major contributor to ASGA, enabling it to survive and grow, and we are extremely grateful for your effort.

This is my last AGM as Chairman. It has been a very satisfying role for me over the past 4-5 years, providing exciting opportunities to pursue a few personal goals and meet many of my fellow industry members in a different capacity.

It is a great industry to be in and there are so many things still to be done. I look forward to continuing as a Board member.

Yours Sincerely



**Ross Langdon**  
Chairman