



30 June 2005

Mr Alan Ducret
Regional Director
ACCC
10th Floor, AAMI Building
500 Queen Street
BRISBANE Q 4000

Dear Mr Ducret

Virgin Blue Airlines Pty Limited ("Virgin Blue") notification lodged under section 93 of the Trade Practices Act 1974

We enclose a notification in respect of conduct which may raise issues under the third line forcing provisions of the *Trade Practices Act 1974* (Cth).

The notification concerns a proposed promotion whereby Virgin Blue will offer a specified discount on selected Virgin Blue airfares to consumers who:

- (a) hold either a Coles Myer Source MasterCard or a Coles Myer Card; and
- (b) spend more than a specified amount in any one transaction on their respective Coles Myer Source MasterCard or Coles Myer Card during a specified period.

The discounted airfares may only be purchased by the above group of consumers during a specified period, for travel during a further specified period.

We enclose:

- 1. a completed Form G – Exclusive Dealing Notification;
- 2. submissions in support of the said notification; and
- 3. a cheque in the sum of \$100, being the fee for lodgement of the said notification.

Should you have any queries with respect to this matter, please contact me on (07) 3295 5694.

Yours faithfully

Jacqueline Parks
Legal Counsel
Virgin Blue Airlines Pty Limited

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Form G

Commonwealth of Australia
Trade Practices Act 1974 --- Sub-section 93(1)
**EXCLUSIVE DEALING
NOTIFICATION**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47 (8) (a), (b) or (c) or (9) (a), (b), (c) or (d) of that Act in which the person giving notice engages or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICES ON BACK OF FORM)

1. (a) Name of person giving notice

Virgin Blue Airlines Pty Limited ABN 36 090 670 965

(See Direction 2 on the back of this form)

- (b) Short description of business carried on by that person

Operation of commercial air transport services across Australia

- (c) Address in Australia for service of documents on that person

Level 7, Centenary Square Building, 100 Wickham Street, Fortitude Valley, Queensland 4006

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

Air travel

- (b) Description of the conduct or proposed conduct

Virgin Blue will offer a specified discount on selected airfares purchased during a specified period for travel between a further specified period to consumers who have spent at least a specified minimum amount in one transaction on their Coles Myer Source MasterCard or Coles Myer Card during a specified period.

(See Direction 4 on the back of this Form)

3. (a) Class or classes of persons to which the conduct relates

Coles Myer Source MasterCard and Coles Myer Card cardholders who spend at least a specified minimum amount in one transaction on their Coles Myer Source MasterCard or Coles Myer Card respectively during the specified period.

(b) Number of those persons--

(i) At present time *unknown*

(ii) Estimated within the next year: *unknown*

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

N/A

4. Names and address of person authorised by the person giving this notice to provide additional information in relation to this notice

Jacqueline Parks


Legal Counsel

Level 7, 100 Wickham Street

Fortitude Valley QLD 4006

Dated: 30 June 2005

Signed by/on behalf of the applicant giving notice


.....
(Signature)

Jacqueline Parks
(Full Name)

Legal Counsel
(Description)

DIRECTIONS

1. If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the person giving the notice
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. In item 1(b), describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in sub-section 47(2), (3), (4), (5), (6), (7), (8) or (9) of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. In item 3 (a), describe the nature of the business carried on by the persons referred to in that item.
6. In item 3(b) (ii), state an estimate of the highest number of persons with whom the person giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.

NOTICE

If this notification is in respect of conduct of a kind referred to in sub-section 47(6) or (7) or paragraph 47(8)(c) or (9) (d) of the *Trade Practices Act 1974* ("the Act"), it comes into force at the end of the period prescribed for the purposes of subsection 93(7a) of the Act ("the prescribed period") unless the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, or this notification is withdrawn.

The prescribed period is 21 days (if this notification is given on or before 30 June 1996) or 14 days (if this notification is given after 30 June 1996), starting on the day when this notification is given.

If the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, this notification will not come into force unless the Commission, after completing the procedures in section 93A of the Act, decides not to give a notice under subsection 93(3A) of the Act. The notification comes into force when that decision is made.

If this notification is in respect of conduct of a kind referred to in subsection 47(2), (3), (4) or (5), or paragraph 47(8)(a) or (b) or (9)(a), (b) or (c), of the Act, it comes into force when it is given.

Submission to accompany Form G notification dated 30 June 2005

Lodged with ACCC by Virgin Blue Airlines Pty Limited on 30 June 2005

The proposed promotion is designed to reward holders of a Coles Myer Source MasterCard or a Coles Myer Card who spend at least a specified minimum amount in any one transaction on their respective cards during a specified period. It is proposed that those cardholders will be rewarded with special discounts on selected Virgin Blue airfares that are purchased during a specified period, for travel during a further specified period.

The promotion will bring benefits to that group of consumers who hold a Coles Myer Source MasterCard or a Coles Myer Card who make the choice, in this instance, to spend at least the specified minimum amount in any one transaction on their respective cards during the specified period. That benefit will be in the form of an option to purchase (during a specified period) selected Virgin Blue airfares (for travel during a further specified period) at a discounted price.


Consumers wishing to fly with Virgin Blue but who do not hold a Coles Myer Source MasterCard or a Coles Myer Card, or those consumers who do hold such cards but elect not to spend at least the specified minimum amount in one transaction on their respective cards during the specified period, will not be excluded from purchasing Virgin Blue airfares at the normal every day low prices offered by Virgin Blue, nor will they be excluded from purchasing airfares with the other domestic air carriers operating in Australia, including Jetstar and Qantas. They will however be excluded from the special discount on selected Virgin Blue airfares available to those holders of Coles Myer Source MasterCards or Coles Myer Cards who elect to spend the specified minimum amount in any one transaction on their respective cards during the specified period. This is a potential negative impact.

However the negative impact is outweighed by the reward being offered to those consumers who do take advantage of the special offer by spending at least the specified amount in one transaction on their Coles Myer Source MasterCard or Coles Myer Card during the specified period.

In conclusion, Virgin Blue submits that the public benefits resulting from the proposed promotion outweigh any public detriment that may be caused by the proposed promotion.

If you have any concerns with the above submission please do not hesitate to contact the undersigned on (07) 3295 5694.

Yours sincerely



Jacqueline Parks
Legal Counsel
Virgin Blue Airlines Pty Limited