

AUST COMPETITION &
CONSUMER COMMISSION
BRISBANE
29 AUG 2006

FLIGHT CENTRE LIMITED



**FLIGHT
CENTRE**
LIMITED

ACN 003 377 188

Level 13, 316 Adelaide St
Brisbane Qld 4000

Tel +61 7 3032 9014
Fax +61 7 3032 9051

teeny.padman@legal.flightcentre.com

Australian Competition and Consumer Commission
Level 3, AAMI Building
500 Queen Street
Brisbane QLD 4000

22 August 2006

Dear Sir or Madam,

FILE No:
DOC:
MARS/PRISM:

ESCAPE TRAVEL FRANCHISING PTY LTD - EXCLUSIVE DEALING NOTIFICATION

I enclose the following for your reference:

1. Form G – Exclusive Dealing Notification; and
2. Submission in Support of Notification.

Please contact me if you have any questions.

Yours sincerely

Teeny Padman
Legal Counsel
Flight Centre Limited

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-sections 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.

1. (a) Name of person giving notice:
Escape Travel Franchising Pty Ltd ("ETF")
ABN 91 117 327 027
- (b) Short description of business carried on by that person:
Franchising of retail travel agencies
- (c) Address in Australia for service of documents on that person:
Room 10, Level 13, 316 Adelaide Street, Brisbane, Queensland, 4000
2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:
Travel insurance products and services
- (b) Description of the conduct or proposed conduct:
Requirement that the Escape Travel franchisees only offer to supply from their Escape Travel Franchise, travel insurance products and services exclusively from Cover-More Insurance Services Pty Ltd
3. (a) Class or classes of persons to which the conduct relates:
Franchisees of ETF who carry on franchised retail travel agencies.
- (b) Number of those persons:
 - (i) At present time:
2
 - (ii) Estimated within the next year:
35
- (c) Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:

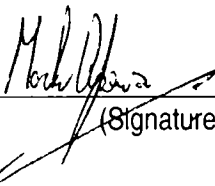
Pacific Leisure Group Pty Ltd
25 Gareema Place, Canberra
ACT, 2601
and
Shop 7, DaCosta Arcade, 74 Gawler Place, Adelaide
SA, 5000

Playford Travel Pty Ltd
Shop 40, Stockland, Caloundra
QLD, 4551

4. Names and address of person authorised by the person giving this notice to provide additional information in relation to this notice:
Mark Aponas, General Manager Franchising, Level 2, 316 Adelaide Street, Brisbane, Queensland, 4000

Dated 25 August, 2006

Signed by/on behalf of the applicant giving notice



(Signature)

MARK APONAS

(Full Name)

GENERAL MANAGER - FRANCHISING

(Description)

**SUBMISSION TO THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION IN SUPPORT OF
NOTIFICATION UNDER SECTION 93(1) OF THE *TRADE PRACTICES ACT 1974* (CTH)**

1. Introduction

This submission is made in support of the notification lodged by Escape Travel Franchising Pty Ltd (**ETF**) under section 93(1) of the *Trade Practices Act 1974* (Cth) in relation to conduct potentially falling within section 47(6) or section 47(7) of the TPA.

2. Description of the relevant conduct

ETF proposes to enter into franchise agreements with 35 Escape Travel franchisees. The franchisees will operate retail travel agencies under the Escape Travel brand.

The franchise agreement between ETF and its franchisees will:

- require the franchisees to act as agents of Cover-More Insurance Services Pty Ltd and sell Cover-More travel insurance products and services on behalf of Cover-More; and
- prohibit ETF franchisees from acting as agents for any other travel insurance company.

3. No potential detriment

The proposed conduct will not result in any public detriment because:

- customers of ETF franchised agencies will not be tied to purchasing Cover-More insurance in connection with travel arrangements made with ETF - they will be free to purchase their travel insurance from other suppliers; and
- it will have no appreciable effect on the level of competition in the supply of travel insurance products and services.

4. Benefits

The proposed conduct will result in the following benefits:

- it will facilitate training in and understanding of the terms and conditions of the insurance offered on the part of ETF agency staff, so that ETF franchised agencies are able to provide better customer service in relation to travel insurance products and services;
- it will help ETF to ensure that only good quality insurance products and services are sold through ETF travel agencies; and
- Cover-More will derive efficiencies and economies which will enable it to offer good quality travel insurance products and services to ETF customers at reasonable prices.