



**Australian
Competition &
Consumer
Commission**

Our Ref: N50188
Contact Officer: Tina Pigliardo
Contact Number: (03) 9290 1481

PO Box 1199
Dickson ACT 2602
470 Northbourne Ave
Dickson ACT 2602
ph (02) 6243 1111
fax (02) 6243 1199
www.accc.gov.au

14~~13~~ September 2006

Ms Teeny Padman
Legal Counsel
Flight Centre Limited
Level 13
316 Adelaide St
Brisbane, Queensland, 4000

Dear Ms Padman

**Third line forcing notification N50188 lodged by
Escape Travel Franchising Pty Ltd (Escape Travel)**

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) by Escape Travel on 29 August 2006. This notification has been placed on the ACCC's public register.

Escape Travel has described the conduct as follows:

Escape Travel Franchising Pty Ltd will supply franchise services on condition that franchisees exclusively offer to supply travel insurance products and services from Cover-More Insurance Services Pty Ltd.

On the basis of the information provided, it is not intended that further action be taken in this matter at this stage. I understand that under the notified conduct, customers of Escape Travel are not prevented from purchasing travel insurance from other suppliers. Concerns might be raised if Escape Travel franchisees failed to disclose to customers that they are free to purchase travel insurance from other suppliers and are under no obligation to take out travel insurance with Cover-More Insurance Services Pty Ltd.



Legal immunity conferred by this notification commenced on 12 September 2006.

Please note that the ACCC may act to remove the immunity afforded by this notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

Finally, in respect of this conduct I would like to bring to your attention the requirement under the Franchising Code of Conduct for a franchisor to disclose in the Franchise Disclosure Document any commission or rebate received through an agreement with a third party supplier.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Tina Pigliardo on (03) 9290 1481.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Gregson', with a long horizontal flourish extending to the right.

Scott Gregson
General Manager
Adjudication Branch