



**Australian  
Competition &  
Consumer  
Commission**

Our Ref: C2006/1657  
Contact Officer: Sheridan de Kruiff  
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27 September 2006

Ms Leigh Balderson  
Virgin Blue Group  
Centenary Square  
131 Barry Parade  
FORTITUDE VALLEY QLD 4006

Dear Ms Balderson,

**Notification N50189 lodged by Velocity Rewards Pty Ltd**

I refer to the above exclusive dealing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 1 September 2006. The notification has been placed on the ACCC's public register.

You have described the conduct as:

Allocation of rewards points to Members of the Loyalty Rewards Program when they stay at hotels operated by the Choice Hotels Australasia Pty Ltd. It is also intended that members of the Choice Hotel Loyalty program Choice Privileges will at some stage in the near future be able to convert Choice Privilege points into Velocity Points.

Members will also have the opportunity to redeem their points for hotel services from Choice Hotels Australasia Pty Ltd.

Legal immunity conferred by the notification commenced on 16 September 2006.

On the basis of the information that you have provided, it is not intended that further action be taken in this matter at this stage. However, please note that in the past, airline loyalty schemes have been the subject of consumer complaints to the ACCC. Such schemes must be operated transparently so that consumers are not misled regarding their entitlement to benefits.

Velocity Rewards Pty Ltd should ensure that any limitations or restrictions on the ability of members to redeem points earned are adequately disclosed to consumers.

As with any notification the ACCC may act to remove the immunity afforded by the 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.



A copy of this letter has been placed on the ACCC's public register.

If you wish to discuss any aspect of this matter, please feel free to contact Sheridan de Kruiff on (02) 6243 1236.

Yours sincerely

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

**Scott Gregson**  
**General Manager**  
**Adjudication Branch**