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ACN 003 377 188

Level 13, 316 Adelaide St  
Brisbane Qld 4000

Tel +61 7 3032 9012

Fax +61 7 3032 9051

stephen\_kennedy@flightcentre.com

**BY FAX: (02) 62431199**Australian Competition & Consumer Commission  
23 Marcus Clarke Street  
CANBERRA ACT 2601

18 January 2007

Dear Sir/Madam

**THIRD LINE FORCING MOTIFICATION N93231 LODGED BY FLIGHT CENTRE LIMITED**

We refer to your fax dated 18 December 2007.

You have asked Flight Centre Limited ("FCL") to respond to a number of queries in relation to the notification it filed with the Australian Competition and Consumer Commission ("ACCC") dated 23 November 2007. The additional information requested is set out below:

- 1. Please describe how the transaction settlement system will operate and how it can be accessed. For example, will settlements occur as transactions arise or will they be processed at the end of a nominated period? Is the system a two-way system whereby payments can be made both to and from FCL? Is the settlement system an internet based system. Please provide as much information as possible.**

The transaction settlement system operates by receiving funds from one party (the "payer") and then providing them to another (the "payee"). FCL understands that the way in which the system operates is not dissimilar to BPAY or other third party clearing house service providers. We understand that settlements will occur as transactions arise. The system is a two way internet based system. More information about Moneydirect Pty Ltd's services is available online at: <https://www.moneydirect.com/content/en/home.htm>

- 2. How does FCL currently manage the settlement of its transactions?**

FCL currently uses various payment gateway/settlement solutions to manage the settlement of its transactions. These include (but are not limited to):

- payment gateways such as Moneydirect
- electronic banking
- cheque
- BSP (the Billing Settlement Plan administered by IATA)

In the instant case, FCL proposes to require travel product suppliers (other than airlines) to use a nominated transaction settlement system.

- 3. Please clarify the nature of the suppliers who will be required to use the transaction settlement system provided by Moneydirect Pty Ltd.**

FCL proposes to require travel product suppliers (other than airlines) to use a nominated transaction settlement system. This includes travel wholesalers and other non-air travel product suppliers.

**4. *What is the financial cost to FCL's suppliers of the introduction of the transaction settlement system provided by Moneydirect Pty Ltd? Will suppliers need to purchase new equipment or upgrade their existing equipment? Will suppliers need to undergo any training?***

FCL understands that the vast majority of non-air travel suppliers already use the proposed payment gateway system. Accordingly, the vast majority of suppliers will not:

- incur any cost because of the introduction of the transaction settlement system;
- need to purchase or upgrade equipment;
- need to undergo any training

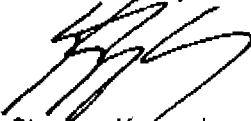
as a result of the approval of the notification. In terms of suppliers who do not currently subscribe to the nominated transaction settlement system, we expect that Moneydirect Pty Ltd would be best placed to advise you of their pricing models.

**5. *Please clarify whether FCL expects suppliers with whom its transaction value is sufficiently low to adopt the new transaction settlement systems. The notification is unclear on this point.***

FCL does not expect such suppliers to adopt the proposed transaction settlement system.

Please do not hesitate to contact us if you require further information. We look forward to hearing from you.

Yours sincerely



Stephen Kennedy  
Assistant Company Secretary  
Flight Centre Limited