



AUST COMPETITION &  
CONSUMER COMMISSION  
BRISBANE  
4 - OCT 2012

Virgin Australia Airlines Pty Ltd

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FILE No:
DOC:
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Australian Competition and Consumer Commission  
PO Box 12241  
George Street Post Shop  
BRISBANE QLD 4003

2 October 2012

Dear Sir/Madam

Please find **attached** Form G – Third Line Forcing Notification in relation to Velocity Rewards Pty Ltd ACN 116 089 448 as Trustee of the Loyalty Trust.

A cheque for \$100 is also attached as payment of the applicable lodging fee. We would appreciate if you could provide us with a receipt in due course.

Yours faithfully

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**Melinda Kastanya-Pappas**  
Specialist, Legal Counsel  
Virgin Australia Airlines

# Form G

Commonwealth of Australia  
*Competition and Consumer Act 2010 — subsection 93 (1)*  
**NOTIFICATION OF EXCLUSIVE DEALING**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

## 1. Applicant

(a) Name of person giving notice:

N96182 Velocity Rewards Pty Ltd ACN 116 089 448 (“Velocity”) as trustee of the Loyalty Trust.

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

Administrator of a rewards program known as “Velocity Frequent Flyer” and associated with Virgin Australia, comprised by Virgin Australia Holdings Limited ACN 100 686 226 and its subsidiaries and Virgin Australia International Holdings Limited ACN 155 860 021 (“Loyalty Rewards Program”)

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

56 Edmondstone Road  
Bowen Hills, Qld 4006

## 2. Notified arrangement

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

Allocation of rewards points to Members of Velocity and procuring the provision of rewards to such members upon the redemption of allocated rewards points.

(b) Description of the conduct or proposed conduct:

Allocation of rewards points to Members of Velocity when they purchase goods/services from CIBT or any other Travel Visa/Travel Documentation providers that are Velocity Frequent Flyer Program Partners from time to time as well as the opportunity to redeem Rewards Points for Travel Visa/Travel Documentation goods and services from CIBT and other Program Partners.

**3. Persons, or classes of persons, affected or likely to be affected by the notified conduct**

- (a) Class or classes of persons to which the conduct relates:  
Velocity Members
- (b) Number of those persons:
  - (i) At present time:  
3.2 million
  - (ii) Estimated within the next year:  
3.75 million
- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:  
Not applicable.

**4. Public benefit claims**

- (a) Arguments in support of notification:  

There is no obligation on Members to acquire any goods or services from CIBT or any other Program Partner, but those who do so will be allocated rewards points that can be redeemed for valuable rewards. Members can also earn rewards points by acquiring goods and services from other Earn Partners, even if they do not purchase goods and/or services from CIBT (or any other Travel Visa/Travel Documentation provider that becomes a Program Partner). Members will not pay more than other customers to purchase goods and services from CIBT or any other Program Partner.
- (b) Facts and evidence relied upon in support of these claims:  

Velocity considers that the allocation of rewards points in respect of the acquisitions of products and/or services from these Program Partners will increase competition in their respective markets by making the relevant products/goods and services more attractive to potential customers.

## 5. Market definition

The market for airline loyalty programs in Australia and New Zealand is highly competitive. There are a large number of competitive offers available to the public in respect of the provision of airline loyalty programs at any given time.

Similarly, the market for Travel Visa/Travel Documentation products/services in Australia and New Zealand is also competitive with multiple providers.

## 6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:  
*(Refer to direction 9)*

It is Velocity's submission that there is no likely detriment to the public resulting from the proposed conduct, and that the proposed conduct would have a negligible effect on competition in the markets noted above in section 5.

- (b) Facts and evidence relevant to these detriments:

Velocity considers that the allocation of rewards points in respect of the purchase of these goods and/or services from these Program Partners will increase competition in the Travel Visa/Travel Documentation market by making the relevant products/goods and services more attractive to potential customers.

The proposed conduct:

- in no way limits the genuine choice of customers in choosing a Travel Visa/Travel Documentation provider; and
- will not lessen competition as customers will be under no obligation to purchase goods and services from CIBT (or other Travel Visa/Travel Documentation provider) simply because they are a Velocity member, and similarly non-Velocity Members will be free to purchase goods and services from CIBT (or other Travel Visa/Travel Documentation provider).

**7. Further information**

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Melinda Kastanya-Pappas  
Legal Counsel  
Virgin Australia Airlines Pty Ltd

56 Edmondstone Road  
Bowen Hills QLD 4006

Tel: (07) 3333 6895  
Fax: (07) 3295 3996  
Email: [Melinda.Kastanya-Pappas@virginaustralia.com](mailto:Melinda.Kastanya-Pappas@virginaustralia.com)

Dated 2 October 2012

Signed by/on behalf of the applicant

  
.....  
(Signature)



Melinda Kastanya-Pappas  
(Full Name)

Virgin Australia Airlines Pty Ltd  
(Organisation)

Legal Counsel  
(Position in Organisation)