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6 March 2014

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Dear Sir/Madam

Form G Notification

Please find the following documents enclosed:

1. Form G – Notification of Exclusive Dealing in relation to Velocity Rewards Pty Ltd;
2. Form G – Notification of Exclusive Dealing in relation to Zuji Pty Ltd; and
3. two cheques to the value of \$100 for each lodgement fee.

In relation to the lodgement fees, please provide us with a receipt in due course.

Please feel free to contact me should you have any queries

Yours sincerely



Melissa Dawber
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:
(Refer to direction 2)

N97310 Zuji Pty Ltd ACN 096 920 866, travel agents licence number 3129712, trading as Virgin Australia Holidays (“VAH”)

- (b) Short description of business carried on by that person:
(Refer to direction 3)

VAH specialises in the sale of holiday packages to consumers and is associated with the Virgin Australia group of airlines, comprising Virgin Australia Holdings Limited ACN 100 686 226 and its subsidiaries and associated companies.

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

Melissa Dawber
Legal Counsel
Virgin Australia Airlines
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:

This notice relates to the provision of airfares, holiday packages, travel gift vouchers and/or other travel content.

- (b) Description of the conduct or proposed conduct:

Velocity propose to supply or offer to supply airfares, travel gift vouchers and/or other travel content at a particular price, or give or allow a discount or credit in relation to the supply of airfares, holiday packages, travel gift vouchers and/or other travel content, from time to time on condition that the customer has become an Entertainment member either by purchasing an

Entertainment Book or a digital membership.
(Refer to direction 4)

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:
(Refer to direction 5)

Entertainment Members.

- (b) Number of those persons:

- (i) At present time:

Approximately 500,000.

- (ii) Estimated within the next year:
(Refer to direction 6)

Velocity does not have access to confidential information of Entertainment Publications of Australia Pty Ltd regarding its members.

- (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:
(Refer to direction 7)

The proposed conduct will be of benefit to the public because it will provide Entertainment Members with discounted travel products including gift vouchers, that is, credit notes, for holiday packages supplied by Virgin Australia Holidays. It will promote competition by providing a more attractive alternative to existing discount shopping clubs and credit cards with flight, holiday and/or travel benefits.

- (b) Facts and evidence relied upon in support of these claims:

There are currently a large number of discount shopping clubs and credit card products in the market that provide flight, holiday and/or travel benefits to card holders. For example the Jetstar Platinum Mastercard and ANZ Qantas Frequent Flyer card.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

The market for holiday packages and associated services is highly competitive. Holiday packages and associated services are offered by many

airlines and travel agents including Qantas Holidays, Flight Centre, Harvey World Travel and Air Asia plus many other travel agents and airlines. There are a large number of competitive offers available to the public in respect of the provision of airline travel, holiday packages and associated services at any given time.

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)

Velocity submits 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 clause 2(a).

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

The proposed conduct:

- in no way limits the genuine choice of customers in choosing whether to become an Entertainment Member or member of another discount shopping club or credit card holder.
- will not lessen competition as customers will be under no obligation to purchase Virgin Australia Holidays and/or associated travel content simply because they are an Entertainment Member, and Entertainment Members will be free to purchase holiday packages, airfares, accommodation and/or associated travel content from any travel agent or airline at market rates.

7. Further information

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

Melissa Dawber
Legal Counsel
Virgin Australia Airlines
56 Edmondstone Road
Bowen Hills
Qld 4006.

Dated... *5 March 2014*

Signed by/on behalf of the applicant

mdawber

.....
(Signature)

Melissa Dawber

.....
(Full Name)

Virgin Australia Airlines
.....
(Organisation)

Legal Course 1
.....
(Position in Organisation)

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

Form G

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

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PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N97311 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:
(Refer to direction 3)

Administrator of a rewards program known as “Velocity Frequent Flyer Program” and associated with the Virgin Australia group of airlines, comprising Virgin Australia Holdings Limited ACN 100 686 226 and its subsidiaries and associated companies.

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

Melissa Dawber
Legal Counsel
Virgin Australia Airlines
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:

This notice relates to the provision of airfares, holiday packages, travel gift vouchers and/or other travel content.

- (b) Description of the conduct or proposed conduct:

Velocity propose to supply or offer to supply airfares, travel gift vouchers and/or other travel content at a particular price, or give or allow a discount or credit in relation to the supply of airfares, holiday packages, travel gift vouchers and/or other travel content, from time to time on condition that the customer has become an Entertainment member either by purchasing an

Entertainment Book or a digital membership.
(Refer to direction 4)

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:
(Refer to direction 5)

Entertainment Members.

- (b) Number of those persons:

- (i) At present time:

Approximately 500,000.

- (ii) Estimated within the next year:
(Refer to direction 6)

Velocity does not have access to confidential information of Entertainment Publications of Australia Pty Ltd regarding its members.

- (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:
(Refer to direction 7)

The proposed conduct will be of benefit to the public because it will provide Entertainment Members with discounted travel products including gift vouchers, that is, credit notes, for holiday packages supplied by Virgin Australia Holidays. It will promote competition by providing a more attractive alternative to existing discount shopping clubs and credit cards with flight, holiday and/or travel benefits.

- (b) Facts and evidence relied upon in support of these claims:

There are currently a large number of discount shopping clubs and credit card products in the market that provide flight, holiday and/or travel benefits to card holders. For example the Jetstar Platinum Mastercard and ANZ Qantas Frequent Flyer card.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
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The market for holiday packages and associated services is highly competitive. Holiday packages and associated services are offered by many

airlines and travel agents including Qantas Holidays, Flight Centre, Harvey World Travel and Air Asia plus many other travel agents and airlines. There are a large number of competitive offers available to the public in respect of the provision of airline travel, holiday packages and associated services at any given time.

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(Refer to direction 9)

Velocity submits 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 clause 2(a).

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

The proposed conduct:

- in no way limits the genuine choice of customers in choosing whether to become an Entertainment Member or member of another discount shopping club or credit card holder.
- will not lessen competition as customers will be under no obligation to purchase Virgin Australia Holidays and/or associated travel content simply because they are an Entertainment Member, and Entertainment Members will be free to purchase holiday packages, airfares, accommodation and/or associated travel content from any travel agent or airline at market rates.

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Melissa Dawber
Legal Counsel
Virgin Australia Airlines
56 Edmondstone Road
Bowen Hills
Qld 4006.

Dated... *5 March 2014*

Signed by/on behalf of the applicant

mdawber
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(Signature)

Melissa Dawber
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(Full Name)

Virgin Australia Airlines
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(Organisation)

Legal Counsel
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(Position in Organisation)

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