



Australian
Competition &
Consumer
Commission

GPO Box 3131 Canberra ACT 2601
23 Marcus Clarke Street Canberra ACT
tel: (02) 6243 1111 fax: (02) 6243 1199
www.accc.gov.au

NEWS RELEASE

ACCC TAKES COURT ACTION AGAINST FLIGHT CENTRE LIMITED

The Australian Competition and Consumer Commission has instituted proceedings in the Federal Court in Brisbane against travel agency Flight Centre Limited, alleging that Flight Centre attempted to induce competitors to enter into price fixing arrangements with it.

The ACCC alleges that, on six occasions between 2005 and 2009, Flight Centre attempted to induce international airlines Singapore Airlines, Malaysian Airlines and Emirates to agree to stop directly offering and booking their own international airfares (including over the internet) at prices less than Flight Centre offered.

It is alleged that Flight Centre's prices included both the amount collected for the airfare itself (which was then paid to the airlines) plus the commission that Flight Centre retained for its booking and distribution services. The ACCC alleges that Flight Centre provided booking services to the public and distribution services to the international airlines in competition with the airlines' internal sales divisions.

It is alleged that the purpose and likely effect of the arrangements sought by Flight Centre was to maintain the level of Flight Centre's commissions. The ACCC alleges that such arrangements constitute price fixing arrangements in contravention of section 45 of the *Competition and Consumer Act 2010* (through the former s.45A of the *Trade Practices Act 1974*).

The ACCC is seeking:

- declarations
- injunctions
- pecuniary penalties and
- costs.

A directions hearing is listed for Friday 13 April 2012 at 9:30 A.M. before Justice Logan.

NR 43/12
9 March 2012