

Air New Zealand fined in Australia air cargo cartel case

June 27 2018



Air New Zealand was fined over illegal price-fixing agreements with other airlines on freight services to Australia

Air New Zealand was Wednesday fined Aus\$15 million (US\$11 million) by an Australian court for its part in a global air cargo cartel involving major international airlines.

The carrier was taken to [court](#) by the Australian Competition and Consumer Commission (ACCC) over allegations it had agreements with other airlines to fix the price of fuel and insurance surcharges on freight services to and from international airports from 2002 to 2007.

"These illegal price-fixing agreements unfairly reduced competition for the transport cost for goods flown into Australia," ACCC commissioner Sarah Court said in a statement.

"This decision sends a strong warning to overseas and domestic operators that the ACCC can and will continue to defend competition and the rights of Australian customers and businesses by taking action against anti-competitive conduct."

The Federal Court ordered Air New Zealand to pay Aus\$11.5 million for fixing fuel surcharges for cargo from Hong Kong to Australia, and Aus\$3.5 million for insurance and security surcharge fixing from Singapore to Australia.

Air New Zealand, which also agreed to pay Aus\$2.0 million of the ACCC's legal costs, said in a statement it was glad the issue was resolved.

"We have worked closely with the ACCC over the past year to reach this position which is in line with previous settlements reached with other international airlines," the carrier added.

So far, 14 airlines have been penalised a total of Aus\$113.5 million since the Australian consumer watchdog launched its investigation into the cartel in 2006.

Those hit with fines in Australia include Qantas, Dubai carrier Emirates, Singapore Airlines, British Airways and Air France KLM.

A penalty hearing against another airline, Garuda Indonesia, was heard this week, with the judgement reserved.

Top airlines have also been in legal battles against the European Commission for imposing large fines for their roles in an air cargo cartel from, to and within the European Economic Area between 1999 and 2006.

© 2018 AFP

Citation: Air New Zealand fined in Australia air cargo cartel case (2018, June 27) retrieved 22 May 2024 from <https://phys.org/news/2018-06-air-zealand-fined-australia-cargo.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--