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MEDIA RELEASE

REX APPLAUDS ACCC DECISION TO DENY SYDNEY AIRPORT UNJUSTIFIED PRICE INCREASES

Regional Express (Rex) welcomes the decision by the Australian Competition and Consumer Commission (ACCC) to object to Sydney Airport Corporation Limited's (SACL) application for a price increase to aeronautical charges for regional carriers.

Commenting on the decision, Warrick Lodge Rex's General Manager of Network Strategy said that the decision demonstrated that ordinary Australians and small Australian companies could count on the ACCC for the enforcement of the Trade Practices Act and other legislation for protection against huge oligopolistic conglomerates which are only too ready to impose their prices on the market if left unchecked.

Mr Lodge added that the submission process had been a tremendous strain on Rex's time and finances as it had to refute in detail a huge volume of inaccurate and misleading statistics and statements.

"Even after this ACCC decision SACL's Media Release would have you believe that *"Sydney Airport felt it fair and reasonable to seek a modest increase given that regional fees had not increased since 2001."* In reality, SACL's passenger tax revenue from Rex has increased by 74% over this period."

"Rex does not have the teams of corporate lawyers and spin doctors that SACL and Macquarie bank, its owner, possess. We had to make do with the scant resources we dispose and simply have faith in the system."

"Rex acknowledges, and is grateful for, the proactive and decisive decision of the government in June of this year to extend the regulation on price caps known as Declaration 92 which forces Sydney Airport to notify the ACCC of its intention to increase aeronautical charges for regional carriers. Without this necessary protection, Rex would see itself faced with an annual increase of \$3.2m which would certainly mean the closure of half a dozen marginal regional routes and eventually see regional carriers displaced to Bankstown."

"Many regional cities have put in submissions to the ACCC voicing their deep concern over SACL's proposed price increases and the ramifications on access to Sydney Airport for regional communities. This highlights the urgent need for the government to consider introducing legislation to re-regulate Sydney Airport as it is just too hard for small regional carriers to continually resist the insidious attempts by SACL to drive them to Bankstown against the original intention of the Sydney Airport sale and consistent Government policy ever since".

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of more than 40 Saab 340 aircraft on some 1,300 weekly flights to 35 destinations throughout New South Wales, Victoria, Tasmania, South Australia and Queensland. The Rex Group comprises Regional Express, air freight and charter operator Pel-Air Aviation and Dubbo-based regional airline Air Link, as well as the pilot academy Australian Airline Pilot Academy.

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