

13 SEPTEMBER 2018

MEDIA RELEASE

INCREASED MILDURA AIRPORT CHARGES RESULT IN REDEPLOYMENT OF SERVICES FROM MILDURA TO GRIFFITH

As foreshadowed in its media release of 18 July 2018, Regional Express (Rex) has announced that it will terminate the Mildura to Sydney route with the last service operating on 27 October 2018. The aircraft, crew and Sydney airport slots will be redeployed to the Sydney to Griffith route which has been experiencing solid passenger growth.

Rex initiated a review of services to Mildura following notice from Mildura Airport Pty Ltd (MAPL) of a 22.5% increase to the Mildura Airport head tax applied to all routes (Adelaide, Melbourne, Sydney and Broken Hill). MAPL later amended it to a 13.7% increase applicable to the Melbourne route only.

General Manager Network Strategy & Sales Mr Warrick Lodge said: "This increase is a blatant money grab and in breach of on-going commercial agreements. At the recent Board meeting, the Rex Board directed an exit of the Mildura to Sydney route and to undertake a further review of the Mildura to Adelaide route at the next Board meeting in late November 2018".

"The Rex Board has directed management to prioritise its scarce pilot resources to routes where the regional airport does not abuse its monopolistic position by treating the airport as a cash cow to finance inefficiencies elsewhere".

"For routes where the airport owner is abusing its monopolistic power, Rex will no longer be adopting a holistic approach in providing services to the route. For these routes Rex will adopt a wholly commercial approach and part or all of its services will be reallocated if there is another more profitable option. Rex will also report such abuse to the Productivity Commission as has been done in this case."

"Rex and the Griffith City Council have reached an agreement to enter into a five-year partnership so the Griffith to Sydney route becomes the natural choice for additional services when aircraft, flight crew and Sydney airport slots become available following the termination of the Mildura to Sydney route".

"As part of the partnership agreement with Griffith City Council, Rex has also announced the implementation of the Rex Community Fare Scheme (\$129) between Griffith and Sydney".

Passengers holding tickets on the cancelled Mildura to Sydney services are entitled to a full refund. Passengers may also elect to transfer the value of cancelled tickets across to Rex's Mildura to Melbourne services with one year validity. Affected passenger should contact the call centre on 13 17 13. Rex apologises for any customer inconvenience that has been caused.

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of more than 50 Saab 340 aircraft on some 1,500 weekly flights to 60 destinations throughout all states in Australia. In addition to the regional airline Regional Express, the **Rex Group** comprises wholly owned subsidiaries **Pel-Air Aviation** (air freight and charter operator), and the **Australian Airline Pilot Academy**.

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