

4 JUNE 2020

MEDIA RELEASE

REX SETS THE RECORD STRAIGHT ON GOVERNMENT FUNDING

Regional Express (Rex) wishes to set the record straight following persistent misinformation spread by journalists of the Australian Financial Review, Senator Tony Sheldon and the Federal Shadow Minister for Infrastructure, Transport and Regional Development, Catherine King. They have repeatedly alleged that Rex is the biggest recipient of the \$1.2 Billion in grants that the Commonwealth has set aside to assist the aviation industry, thereby insinuating that Rex had been accorded special favours by the Federal Government.

1. The Australian Airline Financial Relief Package (AAFR)

The total amount available to airlines is \$715M and is designed to assist all carriers through the reduction of charges for air navigation, security screening and excise tax on fuel. A large portion of these funds will be directed to Airservices Australia. Of the remaining funds that will go to the airlines over 90% will go to the Qantas and Virgin Australia Groups.

2. The COVID-19 Regional Airline Network Support (RANS) Program

The total amount available to regional airlines is \$198M and goes towards underwriting a barebones schedule of twice-weekly return services to each regional port up to 30 September 2020. This grant is available to all regional operators including Rex, QantasLink and Virgin Australia Regional Airlines. Given that Rex and QantasLink together operate approximately 80% of all eligible regional services, both carriers will, over the six-month period, be expected to receive proportionately 80% of the grant amount.

3. The COVID-19 Regional Airlines Funding Assistance (RAFA) Program

The total amount available to airlines is \$100M and goes towards providing cash flow assistance to regional carriers excluding the Qantas Group and Virgin Group. Rex is Australia's largest independent regional airline with an expansive network which accounts for over 60% of all regional services provided by regional carriers excluding the Qantas and Virgin Groups. It is to be noted that QantasLink and Virgin Australia Regional Airlines have obtained funding via a specific package for the two carriers described below.

4. Qantas & Virgin Support Package

The amount of this grant is \$165M and has been set aside **exclusively** for Qantas and Virgin Australia to assist them in undertaking a barebones domestic and regional schedule. This is similar to the RANS program but disbursement of funds is not listed on the Commonwealth website as a grant. The details of this grant can be found here: <https://minister.infrastructure.gov.au/mccormack/media-release/federal-government-guarantees-domestic-aviation-network>



It is clear for all to see that Qantas and Virgin Australia will receive the lion's share of the \$1.2 Billion grants available, exceeding what Rex will receive by many fold.

The Federal Government has justifiably placed regional aviation as a national priority and has provided appropriate assistance to ensure that regional communities will retain their vital air services after the COVID-19 crisis is over.

Rex as the operator of the largest number of regional routes is naturally allocated its proportionate share of assistance. While Rex is grateful for the assistance provided by the Federal and State governments, Rex has also contributed significantly, over the past two decades, to the Australian society by paying its fair share of Federal and State taxes/duties, by providing secure employment and by providing a reliable and affordable air service to regional and remote communities, which if not for Rex, may never have enjoyed an air service at all.

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

Rex Media Contact: Corporate Communications: +61 402 438 361 media@rex.com.au

