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## MEDIA RELEASE

### REX STATES POSITION ON CABOTAGE

In response to strong public and media interest with regards to the cabotage issue for Northern Australia, Regional Express (Rex) offers its position on the matter:

If the cabotage rights involve the so-called 8th freedom rights where the foreign airline must come from its home country prior to entering Australia and depart back to its home country after making one domestic sector, then Rex believes that the overall economic benefits to Northern Australia (and other disadvantaged parts of Australia) will outweigh the minor negative impact to Australia's domestic carriers. For example, some foreign carriers may have enough passengers to service both Darwin and Cairns but not enough for either of them. The 8th freedom rights will allow them to service both these cities while picking up limited connecting passengers between Darwin – Cairns.

Rex is opposed to the granting of the so-called 9th freedom rights where the foreign carrier can operate unlimited domestic sectors on a foreign AOC. This creates an uneven playing field in terms of cost structure and regulatory oversight, and could introduce significant safety risks if applied to carriers from countries with poor safety records.

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 53 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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