



Wagga Wagga  
City Council

**Regional Express**

## Joint Media Release

5 January 2016

For immediate release

### Rex to purchase airport hangar

Wagga Wagga City Council and Regional Express (Rex) are pleased to announce they have reached a Sale of Assets Agreement in relation to the hangar at the Wagga Wagga Regional Airport.

The agreement will see Rex purchase the hanger for \$2.8M.

The hangar was built by aircraft painting and refurbishment business Douglas Aerospace Pty Ltd using a \$2.5M loan from Wagga Wagga City Council. The company defaulted on this loan in early 2015 when it went into voluntary administration, at which point Council acquired the hangar, plant and equipment.

Under the terms of the agreement Council will undertake rectification works to enable a Building Certificate to be issued. Rex will pay a Licence Fee of \$20,000 per month to be rebated against the sale price of the hangar upon completion of the rectification works. Upon completion of the sale, Council will enter into a long term sub-lease of the land with Rex.

The rectification works are estimated to take three to four months to complete at an estimated cost of between \$300,000 to \$400,000.

Wagga Wagga City Council's General Manager, Alan Eldridge, said the sale of the hangar to Australia's largest independent regional airline is an outstanding outcome for the community.

"Rex has proved its commitment to the Riverina time and time again with ongoing, multimillion-dollar investments that continue to play an important role in the local economy," Mr Eldridge said.

"The expertise and financial strength that Rex brings to this deal provides certainty for the future of the hangar as an aircraft painting and refurbishing facility and its ability to generate unique job opportunities. I thank Rex for its assistance in reaching an agreement that represents value for ratepayers' money.

"This agreement came about after the elected council agreed to continue to look proactively at all potential outcomes for this facility. This has allowed Council staff to come to an agreed sale to Rex that provides great long term benefits for the city whilst alleviating the immediate costs."

Rex Group's Executive Chairman, Lim Kim Hai, said that Rex agreed to take on the challenge to save jobs for the community.

"While aircraft painting is not core to our activities, we believe that we are in the best position to make this business viable given the substantial synergies with our heavy maintenance base is also located at Wagga Wagga airport." Mr Lim said.

**-Ends-**

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