

City strikes deal on cheap fares

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TRAVELLERS to Perth and can look forward to cheaper fares thanks to a deal struck between the City of Albany and Rex Airlines.

The City and Rex have agreed to fixed charges at Albany Regional Airport in the 2016/17 financial year.

In return, Rex has agreed to offer up to 30 per cent of its fares at the special one-way price of \$151.

City CEO Andrew Sharpe was delighted the deal was struck to benefit business and leisure travellers.

"They put an offer to the City to ensure that fare stayed in place," he said.

"It required us to guarantee our fees and charges into the next financial year, so we have now reached an agreement.

"We will have that ongoing consistency."

Executive Director of Economic Development and Commercial Services Cameron Woods said there had been a positive response to Rex's introduction in late February.

"In May there were 4,700 pas-

sengers," Mr Woods said.

"It is still predominantly business and health travellers - health professionals and people needing to visit specialists in Perth.

"There has been no change in the leisure market, which is why we are so keen to see a development at Middleton Beach.

"Without a four or five-star hotel, we can't offer package deals."

Rex General Manager for Network Strategy and Sales Warrick Lodge said the deal was good news for the community.

"We're keen to work with the City of Albany and the community to reduce airfares and stimulate passenger travel between Albany and Perth," he said.

"We think our flight schedule and what we believe is improved timings - combined with the lower fares - will be a catalyst to trigger some passenger growth.

"It will be something that really stimulates local travel because what we're targeting is incremental growth through our community fare.

"Part of that fare is about trying to stimulate advanced travel outside 60 days prior to departure."

He said the other strategy was to promote last-minute travel arrangements.

"This will better utilise available seats close to departure in the last 24 hours.

"We only rolled out this initiative in early May, so we've only seen the results of the last-minute sales.

"The forward sales will begin come through beyond July.

"We're seeing solid forward sales in July and onwards, but because we have so many flights, a lot of those sales are spread out."

Mr Lodge said the set fees and charges deal would help the airline achieve better economies of scale.

"It will make it more efficient for the airline on a per passenger basis," he said.

"At the start of the financial year, Rex knows what its fixed costs will be.

"We will pay the Council effectively \$137,000 every month, but if we can grow the market by between five and 10 per cent, that means the unit rate per passenger comes down.

"The more people we can put through the airport, the better our economies of scale will be."

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