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Airline Rex to increase fuel surcharge

Regional Express has become the latest airline to increase its fuel surcharge, blaming the rising cost in oil prices.

From July 2, Regional Express, or Rex, will increase its surcharge by \$4 to \$44.

Rex general manager of network strategy and sales, Warrick Lodge, said oil hit US\$140 per barrel this week, prompting the airline to lift its surcharge.

"We have to react promptly to ensure the partial recovery of this cost for the essential services that we provide," he said in a statement.

Despite rising fuel prices, Mr Lodge said, Rex has lowered the average ticket price by more than 15 per cent - inclusive of the fuel levy.

"When excluding the fuel levy, the average ticket price has fallen by more than 30 per cent," he said.

The fuel surcharge increase also applies to the Rex subsidiary airline, Air Link.

It follows a decision by Qantas to cut routes in response to the rising cost of fuel.

Qantas's Gold Coast to Sydney and Uluru to Melbourne routes will be the first to go, followed by subsidiary Jetstar's exit from the Sydney to the Whitsunday Coast, Adelaide to Sunshine Coast and Brisbane to Hobart routes in July, Qantas said last month.

The airline lifted its fuel surcharge on international tickets in January, while Virgin Blue increased its surcharge in February.

Virgin Blue will cease its once-weekly Sydney-Proserpine service from July, and its thrice-weekly Darwin to Melbourne direct service from August.

According to its website, Rex is Australia's largest independent regional airline, with more than 1,200 flights weekly to 23 destinations from Sydney, Melbourne and Adelaide.

The Rex Group operates 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.