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Rex threat blamed on tax

TAREE'S Regional Express airline link with Sydney is under threat and both the airline and shadow minister for tourism, Bob Baldwin, are blaming Labor's carbon tax.

Rex chief operating officer, Chris Hine said regional air services were facing "an avalanche of adverse government measures of which the carbon tax is the latest".

He said the measures included the removal of the en-route rebate scheme for regional airlines, additional fuel excise to increase funding to CASA and increased security screening at regional ports.

"The combined effect of these measures on Rex alone would equate to at least \$6m per annum," Mr Hine said.

"Rex has already announced (June 1) that the outcome of these measures could be the loss of air services to half a dozen marginal regional ports like Taree and Grafton.

Arriving on a Rex flight from Sydney on Wednesday, Bob Baldwin said 8400 tourism jobs on the Mid North Coast were in jeopardy because of the carbon tax. "You can fly from Sydney to Taree or Sydney to Port Macquarie and you'll pay carbon tax but if you fly from Sydney to Bali or Fiji you won't."

Mr Baldwin said the inevitable price rises in travel costs would be a disincentive to holidaymakers to choose regional areas such as Taree.

He quoted recent Roy Morgan research which found that not only was the number of people planning to take a holiday in the coming year decreasing but of those who were, there was an increase of 50 percent in those planning to travel overseas.

"One person can stop the carbon tax going through and that person could be Rob Oakeshott," Mr Baldwin said.

"I say to him, squash the whole bill and save the tourism industry in your area."

Mr Baldwin said while people "all want to do something to help the environment" the majority of people were still against a carbon tax.

Rex is Australia's largest independent regional airline operating a fleet of more than 40 Saab 340 aircraft on some 1300 weekly flights to 35 destinations throughout NSW, Victoria, Tasmania, South Australia and Queensland. Rex began its Taree service in February 2007 and in April 2008 was granted a five year contract.

The airline was plagued by pilot shortages in 2008 causing flight cancellations and service interruptions and even at that time, Rex's general manager network strategy and sales, Warrick Lodge, said regional aviation for small regional cities was "in jeopardy in today's airline environment" and that regions such as the Manning needed to continue to support their local air service provider to guarantee its future.