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MEDIA RELEASE

REX COMMENDS ABBOTT GOVERNMENT FOR KEEPING ELECTION PROMISES

Regional Express (Rex) has applauded the Abbott Government's bold and decisive move to abolish the carbon tax, thereby keeping one of its key election promises.

Rex Executive Chairman Lim Kim Hai said, "The introduction of the carbon tax by the Labor Government did not contribute towards saving the Earth, as not a single cent of the funds raised went towards the environment, but in fact caused the aviation industry and the economy as a whole to enter a deep tailspin."

"We noticed Rex passenger numbers collapsed almost from day one of the introduction of the carbon tax. The carbon tax cost Rex about \$2.5 million a year whilst our Profit Before Tax tumbled \$15.9 million that year as overall business contracted."

"We are optimistic that the reverse cycle will materialise with the abolition of the carbon tax, and that the economy will start to recover from its present moribund state. Rex did not impose a surcharge when the carbon tax was introduced but we will look at reducing our fares when we see passenger numbers improving."

"However, the removal of the carbon tax alone will not be sufficient to save the aviation sector, especially regional aviation which has been badly damaged by the misguided policies of the previous government. The two major domestic carriers are expected to lose over \$1.5 billion in the last Financial Year while two more regional airlines have in the past seven months joined the graveyard of failed regional carriers since 9/11."

Regional Airline	Year Operations Ceased
Horizon Airlines	2004
Great Western Airlines	2005
Airlines of South Australia	2005
Emu Airways	2005
Aboriginal Air Services	2006
Sunshine Express	2006
Big Sky Express	2006
Transair	2006
O'Connor Airlines	2007
Aero-Tropics Air Services	2008
MacAir Airlines	2009
Regional Pacific Airlines	2010
Tasair	2012
Aeropelican	2013
Brindabella Airlines	2013
Vincent Aviation	2014

Mr Lim continued, "Urgent measures need to be implemented before further irreversible terminal decline sets into regional aviation. The Abbott Government has rightly prioritised infrastructure in its budget allocation and devoted tens of billions of dollars to it. Regional aviation is as critical an infrastructure to regional communities as roads, bridges and railway. It is the life blood of regional communities and enables them to have access to medical, educational and administrative support from the capital cities."

"Rex therefore calls on the Abbott Government to also keep its election promises towards regional aviation by starting to implement the measures spelt out in its election manifesto on regional aviation, in the 'Coalition's Policy for Aviation'.

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 36 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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