

30 JULY 2020

MEDIA RELEASE

REX WELCOMES ACCC DECISION TO EXTEND COOPERATION ON REGIONAL ROUTES

Regional Express (Rex) welcomes today's announcement from the Australian Competition & Consumer Commission (ACCC) that it will continue to allow Rex, Qantas and Virgin Australia to cooperate on 10 competitive regional routes under a draft determination.

The initiative for collaboration on regional routes was put forward by Rex with an application to the ACCC in mid-March, as the industry faced an overwhelming downturn in regional travel demand arising from the COVID-19 pandemic.

The application sought permission from the ACCC for Rex to coordinate flight schedules with QantasLink and Virgin Australia on 10 regional routes to ensure maximum efficient use of resources amidst the disastrous operating conditions. Rex has given an undertaking that ticket prices will not be higher than they were in February 2020 before the effect of the pandemic was felt.

Rex commends the ACCC for its speedy response to Rex's original request in March by granting an interim authorisation within four days of application. This new draft determination will be valid till June 2021 and will grant the 3 carriers essentially the same rights as in the interim authorisation. It underscores ACCC's priority in ensuring regional air services retain their critical air connections to the capital cities.

Deputy Chairman, Hon John Sharp AM, said, "Whilst in normal operating circumstances such an approach would be anti-competitive, the fact of the matter is that regional passenger traffic is still only about 15% of what it was before the pandemic, with some destinations down to almost 2% due to border closures."

"The most important priority now is to keep regional air services alive and the authorisation to collaborate will ensure that the services could be carried out in a sustainable manner."

"Safeguards have been built into the draft determination to ensure that ticket prices remain unchanged with the collaboration."

"Rex will again reach out to QantasLink to request their agreement to collaborate. Virgin Australia is no longer present in any of the 10 competitive routes in question."

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of 60 Saab 340 aircraft (pre-COVID) on some 1,500 weekly flights to 59 destinations throughout all states in Australia. In addition to the regional airline **Rex**, the **Rex Group** comprises wholly owned subsidiaries **Pel-Air Aviation** (air freight, aeromedical and charter operator) and the two pilot academies **Australian Airline Pilot Academy** in Wagga Wagga and Ballarat.

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