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## MEDIA RELEASE

### GOVERNMENT PENALISING DOMESTIC AND REGIONAL CARRIERS

Regional Express (Rex) fully supports the call by the Regional Aviation Association of Australia (RAAA) for the Federal Government to stop penalising regional and domestic air services by making them subsidise international carriers to the tune of over \$70 million a year.

Rex Chief Operating Officer Neville Howell said, "It is grossly unfair for regional and domestic flights to be contributing about \$120 million to fund the Civil Aviation Safety Authority's (CASA) operations in the form of an excise duty on fuel, when a significant portion of CASA's resources are deployed in overseeing all international flights, including the considerable international operations of Qantas and Virgin Australia, that do not contribute anything to CASA's funding."

"In addition, domestic and regional carriers contributed over \$200 million in carbon tax while international flights did not contribute a single cent. Whilst the Abbott Government is taking the right step to abolish the carbon tax, the pain inflicted only on regional and domestic carriers has been totally unfair and extremely punitive."

Rex had already warned the Federal Government in its media release of 26 February this year that:

*"The Abbott Government needs to take immediate steps to fulfil their election promises to regional aviation ...before the irreversible collapse of regional aviation occurs."*

In the last seven months two regional airlines have collapsed, while domestic carriers are deeply entrenched in a crisis and are expected to haemorrhage well over \$1.5 billion during this past financial year (FY13/14).

Rex therefore joins the RAAA in its call to the Deputy Prime Minister and Minister for Infrastructure and Regional Development, Warren Truss, to urgently address the inequality of CASA funding by providing an equitable deal for domestic and regional operators. CASA funding should either be raised from all users - international, domestic and regional carriers; airports; and Airservices Australia - or be removed altogether, and funding reverted to normal appropriations.

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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