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## MEDIA RELEASE

### REX WELCOMES WATCHDOG SCRUTINY ON CAPACITY DUMPING

Rex today applauded the Australian Competition and Consumer Commission's (ACCC) move to scrutinise massive capacity dumping on both domestic and regional air routes.

"Since the start of the pandemic Qantas has started or announced it will compete with Rex on nine new regional routes, all of which currently struggle to support one operator, let alone two carriers. Even at pre-COVID levels, these routes could not sustain two carriers running a full regional schedule, which explains why Qantas did not enter these routes in the last 20 years," said Deputy Chairman, the Hon John Sharp AM.

"Just last week, Qantas was at it again unveiling plans for Melbourne – Burnie flights, a marginal route at the best of times and certainly not one which can be viably serviced by two operators," Mr Sharp said.

Qantas new regional routes since COVID started	Average Monthly Passengers (pre-COVID)	Rex Average Monthly Passengers (Jan - Apr 21)
Sydney – Orange	5,436	1,688
Sydney – Merimbula	3,055	962
Sydney – Griffith	6,100	1,680
Melbourne -- Burnie	5,333	986
Melbourne – Merimbula	1,868	838
Melbourne – Albury	1,845	373
Melbourne – Wagga Wagga	2,233	375
Melbourne – Mount Gambier	3,060	382
Adelaide – Mount Gambier	4,099	1,855

"On the domestic network we've seen a concerted effort by Qantas, Jetstar and Virgin to increase flights between Melbourne and Sydney in March by an identical 80% over February's capacity, clearly targeting Rex services which launched on 1 March. Load factor in February was only 55%, way below the breakeven load factor of over 75%.

"Qantas has received over \$1.3 billion in bail-outs from the Federal Government and begged for another \$800 million as it claimed it was running out of cash. It is unconscionable that Qantas is using taxpayer's money to finance loss-making operations that have a predatory and anti-competitive impact on the market."

"On top of that, Qantas owes passengers over \$3 billion in refunds, and is using all means fair and foul to avoid returning the money because its free cash is only a tiny fraction of this obligation. This means that Qantas is effectively forcing its passengers to finance activities that reduce competition and ultimately result in harm to consumers.

"We welcome ACCC Chairman, Rod Sims' remarks last week that the ACCC will be taking this matter seriously. We urge the ACCC to also look at the plight of hundreds of thousands of Qantas' passengers that have been chasing Qantas for months for a refund. Consumers in Australia should be protected from unscrupulous practices such as advertising flights that have no realistic chance of materialising simply to raise more cash."

Members of the Rex Group

**Rex** is Australia's largest independent regional and domestic airline operating a fleet of 60 Saab 340 and six Boeing 737-800NG aircraft to 61 destinations throughout all states in Australia. In addition to the 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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