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MEDIA RELEASE

REX APPEALS TO STATE GOVERNMENTS FOR ASSISTANCE TO AVOID ANNIHILATION OF REGIONAL AIR SERVICES DUE TO COVID-19 PANDEMIC

Regional Express (Rex) today has written a letter to all State Governments requesting for urgent relief and assistance measures to give the regional carriers a fighting chance of seeing through the current crisis. The grounding of 2/3 of Qantas' 33,000 staff gives an indication of how dire the situation is.

Following an open letter to the Deputy Prime Minister and Leader of the Nationals, Michael McCormack early this week warning of the potential collapse of all carriers within six months if forecasts of health authorities materialise, the Deputy Prime Minister acted decisively to announce the next day a \$715 Million relief package for airline operators which will include waiving of Airservices Australia charges, fuel excise and regional aviation security charges with effective date backdated to 1 February 2020.

While this package gives some breathing space to regional carriers, Rex's Deputy Chairman, the Hon John Sharp AM warns that this will not be enough to see the regional carriers through, "Regional carriers do not have the balance sheet to last very long in this environment. While Rex may have six months of reserves if things do not deteriorate further, most others have only weeks if not days of cash left."

"The Federal Government deserves praise for their decisiveness, but regional aviation is also a State responsibility. Therefore State Governments need to play their role by responding immediately otherwise they will see the regional carriers collapsing like flies."

"All State Governments have substantial budgets for regional airport infrastructure. Now is the time to divert a portion of these funds to help out the regional carriers. It makes no sense for them to have invested tens of millions of dollars in to upgrading regional airports if there are no regional airlines flying to the state government funded renovated regional airports."

"Rex has provided critical and essential regional air services for close to 20 years and before that Kendell Airlines and Hazelton Airlines did so too for similar periods. Rex has paid close to \$1 Billion of Federal and State taxes and has provided over 1,100 annual jobs and has never asked for a single cent in subsidy from State Governments as it is an efficient and disciplined operator."

"Now is the time for State Governments to invest in their regional air services otherwise once Rex collapses, many regional ports may never again have an air service as few have the efficiencies and management expertise of Rex."

"In addition, the State Governments should follow the example of the Federal Government by waiving relevant fees and taxes. Payroll taxes should be waived for one year with effect from 1 Feb 2020. This would make a considerable difference between survival and failure of the regional airline operators."

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of 60 Saab 340 aircraft on some 1,500 weekly flights to 60 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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