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Australian carrier wants airport charges frozen



SYDNEY: Australia's third largest airline has reacted angrily to the result posted by the nation's largest airport owner, which has boosted profits by 10% while their airline customers struggle to survive.

Sydney Airport Corporation announced a record A\$320 million profit for the first six months of 2008. Regional Express (Rex) deputy chairman John Sharp said in a period where all the airlines are struggling to survive because of record fuel prices and the global economic crisis, "it is staggering to see monopoly businesses that live off airlines making record profits".

He called on SACL and other capital city airports to have a moratorium of all rate increases in this current financial year.

"SACL's operating profit is about 80% of revenue, compared to 35% for London Heathrow Airport and 47% for Singapore Changi International Airport. Such profits are only possible because of SACL's monopolistic regime. In the light of the worst crisis to hit aviation since World War II, SACL should act responsibly as a stakeholder and share some of the immense pain that the industry is undergoing and make similar sacrifices as the airlines have in the last few months.

"As their contribution to addressing the crisis, I call on SACL and all the other airports to have a moratorium on all rate increases for one year. In addition I call on SACL and the other capital city airports to do the right thing and rebate 20% of their FY08 profits back to the airlines in FY09 so as to reduce the burden on those airlines.

"In this respect, I would like to acknowledge the proactive actions of Adelaide Airport Limited, which has already deliberated measures to be taken to alleviate the burden on airlines."

Sharp also stressed the need for the Federal Government to step in and take firm leadership of the situation by calling on the major financial institutions that own these airports to contribute to the viability of the airlines.

"The government must use its not inconsiderable influence to put pressure on the capital city airports to come to the party. We are in a crisis bigger than SARS, 9/11 and the drought combined and now is the time for decisive and strong leadership if we do not want a repeat of the Ansett collapse."

Rex is Australia's largest independent regional airline operating a fleet of 39 Saab 340 aircraft on more than 1200 flights weekly to 23 destinations from Sydney, Melbourne and Adelaide. 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.