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Rex 'fearful' of carbon tax impact

Australia's biggest regional airline says ticket prices must rise as a result of the Federal Government's carbon tax.

Regional Express (Rex) says the tax will cost it up to \$2.5 million a year.

Its chief operating officer, Chris Hine, says fares must go up at least a few dollars per flight but exact figures are unknown.

He says it is particularly unfair, given that international carriers will not be made to pay the carbon tax, and the importance of regional services.

"The communities rely heavily on their air service and we're just very mindful that we can't just keep adding to ticket prices," he said.

"Where the carbon tax leads to ultimately, there's still more to be worked out but we're certainly very fearful across the board of the continued imposition that seems to be applied.

"The turbo prop operation that is the bulk of our airline is less polluting than other forms of travel and we feel that combined with the sheer fact we have to factor in what effect this might have on regional communities that may end up losing a critical air service."