

Source: ABC South East, 14 Jul 11

Airline up in air over carbon tax

Updated July 14, 2011 10:55:21

The airline servicing the New South Wales far south coast says it supports the continuation of the Merimbula to Sydney service, despite the threat of increased costs.

Regional Express (Rex) says the Federal Government's carbon tax plan will increase fuel costs, which will need to be recouped through higher ticket prices and the downgrading of services.

Rex general manager Warwick Lodge says this will make it difficult to maintain services to Moruya and Melbourne.

He says an additional \$6 million in fuel and other Federal Government charges are not easy to absorb.

"We're keen to keep on growing and we're keen to keep supporting the Moruya and Merimbula market like we have done for the past nine years," Mr Lodge said.

"We're very concerned though that this impost of additional costs all compounding on the first of July is going to make that very difficult."