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REX pulls more profit than airline giants Qantas and Virgin

Marco Magasic

THE economic climate is so toxic that REX airlines pulled a bigger profit last financial year than Qantas and Virgin executive chairman Lim Kim Hai says.

"The Australian economy continued to deteriorate over the period and REX lost 38,000 passengers, or a reduction of 3.4%," Mr Lim said.

"The environment is so toxic that incredible as it sounds, REX is not only the most profitable passenger airline group for the third consecutive year, it has more accumulated profit before tax than Qantas or Virgin Australia over the last nine years.

"As foreshadowed in my earlier warnings to the Federal Government, aviation in Australia is in deep crisis with Qantas and Virgin Australia losing a combined \$4.4 billion at pre-tax level for the 2014 financial year. "Regional aviation is even harder hit.

"We saw another two carriers collapse in the last nine months."

He said about 16 regional Australian airlines had shut down since September 11, some with decades of history.

Mr Lim said the price of fuel and the carbon tax had made things difficult to operate.

"On top of that, we had the burden of increased government taxes in the form of the carbon tax and a significant increase in the fuel levy to fund the Civil Aviation Safety Authority," Mr Lim said.

"All of these taxes implemented by the previous Federal Government just add more nails in the coffin of the aviation industry."

He said REX would not issue dividends for this year, but would make it up once the airline recovered.

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