

Michael McCormack MP

FEDERAL MEMBER FOR RIVERINA

Mr Lim Kim Hai
Executive Chairman
Regional Express Airlines
81-83 Baxter Road
Mascot NSW 2020

6 October 2012

Dear Mr Lim Kim Hai

I recently spoke in Parliament on the great achievements made by Regional Express Airlines over the past 10 years. This is a tremendous milestone in aviation and you should all be very proud of the results achieved.

REX's influence in the Riverina has been prominent and will continue to be. This was evident at the successful open day and gala dinner held on September 8, 2012.

I look forward to sharing the continuing success of REX in the Riverina and beyond.

I enclose a copy of my speech for your information.

Yours sincerely



Michael McCormack MP
Federal Member for Riverina

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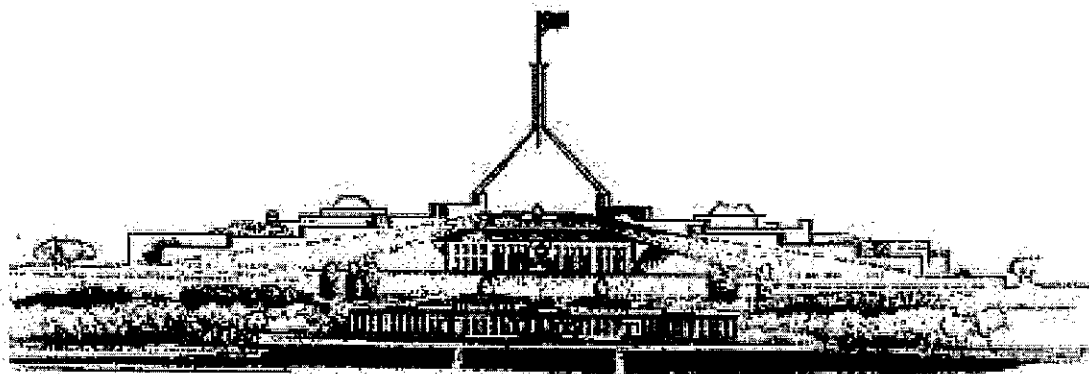
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COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

ADJOURNMENT

Regional Air Services

SPEECH

Wednesday, 19 September 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

<p>Date Wednesday, 19 September 2012</p> <p>Page 99</p> <p>Questioner</p> <p>Speaker McCormack, Michael, MP</p>	<p>Source House</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Mr McCORMACK (Riverina) (19:20): Regional Express Airlines celebrated a tremendous milestone in aviation the weekend before last. The company commemorated its first 10 years with an open day and a gala dinner in its home base of Wagga Wagga. The Leader of the Opposition and the Leader of the Nationals were there to mark this auspicious occasion. REX Airlines was born in troubled times. Just three days after those terrible events of 9-11, Air New Zealand, owner of Ansett Australia, could no longer support the haemorrhaging of funds at Ansett and grounded the airline. Ansett was placed into voluntary administration with PricewaterhouseCoopers. With the stroke of a pen, 16,000 jobs were lost and many more placed in jeopardy.

Hazelton and Kendell Airlines, traditional solid country carriers, were caught up in the maelstrom and, through no fault of their own, went under too. But there were those who believed; there were those who tried to resurrect what they could from the collapse. The former member for Riverina, Kay Hull, was one of them. She saw what a disaster it was for a city the size of Wagga Wagga not to have capital city air services, and she acted.

The then Deputy Prime Minister, Nationals Leader and Minister for Transport and Regional Development, John Anderson, listened and responded. He came to Wagga Wagga and advised a worried group of Kendell staff members that they would get their entitlements. To this, a heavily pregnant Amanda Myers—whose husband, Jason, was a pilot with Kendell and, happily, still is a pilot with REX—called out: 'We don't want our entitlements. Put our money into getting our airline into the sky again!' Gravely ill Don Kendell was at that meeting. It would have broken his heart to see the airline he built on a wing and a prayer fail in his dying days. Don was promised that the region's air services, to which he dedicated his life, would be rescued, and thankfully that has happened.

Singaporean investor Lim Kim Hai was generous enough to put up his money and Rex took to the air on 2 August 2002, with 21 Saab 340 aircraft and seven Metroliner 23 aircraft. Kim Hai and Lee Thian Soo were the two largest founding shareholders. They initially intended being passive investors, but Rex became something of a passion for them. They saw

the commitment of the staff, the dedication of the people who strove to make the airline succeed, and they reinvested heavily when Rex lost \$30 million in its first financial year.

Lim and Lee then took up the challenge of running an airline, even though they had no experience in this field.

They flew in for a week every month to oversee all aspects of the operations and they dug deep to help keep Rex flying. The recovery was, as the recently published, beautifully presented hard-bound book detailing Rex's first decade recounts, 'slow and painful' but, at the end of the first year under their leadership, the company made a profit of \$1 million. Since then Rex has made a profit each and every year and, in its 10th anniversary year, the Rex Group made more than \$35 million profit before tax, with accumulated PBT of more than \$213 million under their stewardship.

At the end of the first 10 years Rex now has 35 ports in its network, 51 Saab 340 aircraft, 95 aircraft in the Rex Group and 1,059 staff members. Pilots have spent 60,000 hours in the simulator and there have been 575,756 take-offs and landings—that is a lot of hostess safety instructions—with 11,300,250 passengers. All up, Rex planes have flown 196,675,217 kilometres, equivalent to 255 trips to the moon and back, and have used 327,953,572 litres of fuel.

I am pleased to report that it was announced just yesterday that Rex has been ranked the best domestic airline for customer satisfaction for the month of July 2012 in the Roy Morgan Customer Satisfaction Awards. Rex received an 88 per cent satisfaction rating in the surveys conducted by Roy Morgan, one of Australia's leading research companies.

I congratulate all involved in Rex and particularly some of those key figures, who, as well as those mentioned, have helped make the company what it is today: Director Jim Davis; General Manager Engineering, Dale Hall; Executive Director, Chris Hine; General Manager Network Strategy and Sales, Warrick Lodge; 'Jack of all Trades' Warren O'Halloran, whose combined years with Rex and Kendell total

more than 40 years; Deputy Chairman John Sharp; and Rex Chief Operating Officer, Garry Filmer.

Rex is also training pilots of the future at its state-of-the-art Australian Airline Pilot Academy in the aptly named Don Kendell Drive at Wagga Wagga Airport.

Aviation is a volatile industry. I am confident, however, that Rex, with committed owners, diligent flight crew and ground staff and the spirit of Don Kendell and Max Flazelton in its wings, will have clear runways and blue skies for many more years to come.