

23 SEPTEMBER 2020

MEDIA RELEASE

REX UPDATE ON REGIONAL ROUTES ABANDONED BY VIRGIN AUSTRALIA

Following Rex's call for Expressions of Interest (EOI) from communities which have been abandoned by Virgin Australia, Rex today reports that it has been progressing discussions with several cities including Geraldton, Port Macquarie and Canberra.

Rex announced in a media release on <u>September 15, 2020</u>, that it stands ready to service regional communities to which Virgin Australia has now ceased operating.

Rex's General Manager for Network Strategy, Warrick Lodge, said, "Rex has been in discussions with community leaders and government representatives desperate for an airline to fill the gap left by Virgin Australia".

"These communities are concerned about being left with a monopoly airline and the impact this could have on flight schedules and fare pricing, particularly when their local economies have already been hit hard by the COVID-19 pandemic."

"Many of these communities have heard about the innovative Community Fare scheme pioneered by Rex that has delivered significant socio-economic benefits to more than 40 regional communities throughout all States of Australia and these abandoned communities would like to receive this benefit too. Rex's Community Fare scheme delivers substantially lower ticket prices for those communities that agree to participate. This provides a benefit for local residents as well as a boost for leisure travel and tourism."

"However, cities, such as Tamworth, which insist on charging security screening charges on carriers not legally required to be screened, will not be considered."

"The Commonwealth government legislates when security screening is required by airlines based on a comprehensive risk assessment. Local governments are out of their depth in this area and achieve nothing but damage to their own local economy if they choose to go against the Commonwealth government's position."

"As regulations dictate that security screening is not required for Rex's aircraft, Rex calls on all local government to avoid imposing unnecessary security levies at regional airports that will ultimately be passed on to passengers by way of increased ticket prices. We need to rebuild passenger numbers back to pre-COVID levels and imposing unnecessary security costs on to ticket prices will work directly against that process."

Rex invites other regional cities affected to submit an EOI.

Rex is Australia's largest independent regional airline operating a fleet of 60 Saab 340 aircraft (pre-COVID) on some 1,500 weekly flights to 59 destinations throughout all states in Australia. In addition to the regional airline **Rex**, the **Rex Group** comprises wholly owned subsidiaries **Pel-Air Aviation** (air freight, aeromedical and charter operator) and the two pilot academies **Australian Airline Pilot Academy** in Wagga Wagga and Ballarat.

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