

5 JUNE 2020

MEDIA RELEASE

REX INCREASES FLIGHTS IN RESPONSE TO QANTASLINK INCREASES

Regional Express (Rex) today announces that it will increase its flying schedule in response to QantasLink's actions to more than double its flights to ports that are in competition with Rex.

From 6 July 2020, Rex will be providing daily weekday return services to these competitive routes and will also provide twice-daily return services on certain days in order to facilitate day-return travel. The new schedule is provided in the Annex.

Rex Chief Operating Officer, Neville Howell, said, "It is with great reluctance that we are adding so much additional flying so soon that doesn't match demand. Today we are still seeing a 90% drop in passenger numbers and we would normally gradually increase our flying schedule in tandem with the growth in passenger numbers so as to minimise losses. In ports where Rex is the sole provider, we have no plans to increase capacity significantly in the immediate future."

"However, QantasLink's aggressive new published schedule for July, announced with great fanfare yesterday, compels us to match this move so as not to be squeezed out of the market. The outcome may result in both carriers doubling or tripling their losses on these routes given the expected load factors of 30% or less."

"This move does not make economic sense. All carriers are fighting for survival during this national crisis and now is not the time to be flying around aircraft with such poor load factors and incurring even more losses. This is the reason why Rex has obtained interim authorisation from the ACCC to coordinate and cooperate with competing airlines so that the overall capacity offered will match the demand, thereby achieving load factors that are economically viable."

"Qantas has announced it is losing \$40 Million a week but has postponed all discussions on cooperation that is allowed under the ACCC's interim authorisation. Rex can ill afford to sustain prolonged periods of heavy losses on these competitive routes, however Rex has no choice but to stand its ground. Otherwise it risks losing its market share and may not be able to recover this loss when the market returns to pre-COVID levels."

"QantasLink has even started accepting bookings for services to a new regional city it has never operated to before where the load factor is currently 25% for a barebones twice-weekly service that Rex operates."

"Earlier this year, Rex lodged a complaint to the ACCC about Qantas's pre-COVID conduct of dumping excess capacity on regional routes in a way that goes beyond legitimate 'competition on the merits' and has the effect of substantially lessening competition."

"As the ACCC acknowledged in its 1 June media release regarding its investigation of Qantas's stake in Alliance Airlines: 'The Australian aviation industry remains highly concentrated and it is crucial that competition provided by smaller airlines is maintained long-term'. Rex could not agree more and the latest conduct of Qantas seems to warrant some attention."



Regional Express

“In the meantime, Rex will be watching QantasLink’s actions very closely and will be decisive in defending itself from this anti-competitive conduct, including bringing competition into QantasLink’s sole-operated ports even when the economic case normally would not justify doing so. Rex does not have the deep pockets of the Qantas Group but our resolve will not be found wanting and will prevail.”

Regional Express (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 60 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.

Rex Media Contact: Corporate Communications: +61 402 438 361 media@rex.com.au



ANNEX

NEW SCHEDULES IN QANTAS-COMPETITIVE PORTS FROM 6 JULY 2020

Port	Route	Time	M	T	W	T	F
ALBURY	Sydney-Albury	0630-0735	•	•	•	•	•
		1535-1655			•	•	•
	Albury-Sydney	0855-1030	•	•	•	•	•
		1815-1930			•	•	•
WAGGA WAGGA	Wagga Wagga-Sydney	0630-0740	•	•	•	•	•
		1710-1820	•			•	•
	Sydney-Wagga Wagga	0845-1000	•	•	•	•	•
		1900-2015	•			•	•
DUBBO	Dubbo-Sydney	0630-0740	•		•	•	
		1250-1400	•		•		•
		1655-1805			•	•	•
	Sydney-Dubbo	0645-0755	•		•		•
		0905-1015	•		•	•	
		1905-2015			•	•	•
BALLINA	Sydney-Ballina	1515-1700	•			•	•
	Ballina-Sydney	1725-1915	•			•	•
ORANGE	Sydney-Orange	0750-0840	•	•	•	•	•
		1615-1705	•		•		•
	Orange-Sydney	0910-1000	•	•	•	•	•
		1725-1815	•		•		•
MILDURA	Melbourne-Mildura	0700-0820	•	•	•	•	•
		1540-1700	•		•	•	•
	Mildura-Melbourne	0850-1010	•	•	•	•	•
		1725-1845	•		•	•	•
WHYALLA	Adelaide-Whyalla	0710-0800	•	•	•	•	
		1600-1650			•	•	•
	Whyalla-Adelaide	0820-0910	•	•	•	•	
		1710-1800			•	•	•
PORT LINCOLN	Adelaide-Port Lincoln	0700-0750	•	•	•	•	•
		1715-1805	•	•	•	•	•
	Port Lincoln-Adelaide	0810-0900	•	•	•	•	•
		1825-1915	•	•	•	•	•
KANGAROO ISLAND	Adelaide-Kingscote	1500-1535	•				•
	Kingscote-Adelaide	1600-1635	•				•