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MEDIA RELEASE

REX THANKS MICHAEL MCCORMACK AND THE MORRISON GOVERNMENT ON MEASURES TO ASSIST AIRLINES AMID IMPACT OF COVID-19 PANDEMIC

Regional Express (Rex) today applauds the announcement from the Deputy Prime Minister and the Leader of the Nationals, the Hon. Michael McCormack MP, on relief measures to assist airlines amid the dire operating environment following the COVID-19 outbreak.

In an [open letter dated 16 March 2020](#), Rex warned the Deputy Prime Minister that Regional carriers would not be able to survive more than six months without assistance with the weaker operators having only weeks of reserves.

Following Rex's public plea to the Government, the Government announced the very next day a relief package that responded to most of the requests made in Rex's Open Letter which includes waiving of Airservices Australia charges (Air Traffic Control), fuel excise and regional aviation security charges with effective date backdated to 1 February 2020.

Rex Executive Chairman, Lim Kim Hai today highly commended the Deputy Prime Minister on the \$715 Million relief package announcement, "Michael and the Morrison Government have demonstrated firm and decisive leadership in putting together this package within such an incredibly short time frame. The situation is extremely dynamic and Australia is fortunate to have a Government that is very proactive and nimble."

"This is a great start, and we thank the Deputy Prime Minister for hearing Rex's voice and understanding that these measures are crucial to give Rex and all regional carriers a fighting chance to stay afloat long enough."

"Rex is disappointed that the package does not include a sovereign guarantee of new loans taken up by regional carriers to tide them through the period of extreme negative cash flow until normalcy returns and we are hopeful that this will be adopted in a second stage of assistance."

"Rex and all Australian carriers owe the Morrison Government a huge debt of gratitude for providing this precious lifeline without which all regional carriers, and we believe some domestic ones too, will go into administration. Rex wishes to place on record our most profound gratitude," he said.

Rex is not simply relying on the Government assistance package and the Rex Board and management have instituted a broad range of measures to cut cost and conserve cash which includes right sizing the network to match the expected sharp downturn. The exact network changes will be announced in the coming days but Rex expects about 40% of capacity will be taken out with some routes being cut altogether.

Rex has also spoken to all the unions, and we are grateful and comforted that all unions and staff are firmly supportive of the draconian measures that need to be implemented in these dire circumstances. Rex believes that with our staff clearly standing behind us and with virtually no debts and now with this Government assistance, Rex will be able to survive at least six months if the current situation does not deteriorate much further.

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of 60 Saab 340 aircraft 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.

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