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MEDIA RELEASE

REX CORRECTS MISINFORMATION STATED BY QANTAS

Regional Express (Rex) states that Qantas CEO, Alan Joyce, had been misinformed by his advisors when he wrongly asserted at the CAPA Australia Pacific Aviation Summit on 2 September 2020, that Rex was using Commonwealth grants to finance its new domestic jet operations starting March 2021.

As Qantas managers know very well, having received over \$800 million in government grants in the past five months of which about \$500m are specific aviation grants, the Commonwealth Grants for aviation are being strictly audited against the Grant guidelines by the auditing firm Ernst & Young. To suggest that the audit firm is professionally negligent is nothing but mischievous.

Rex has publicly stated several times that its proposed domestic jet operations will proceed only with new funds being made available by external parties. These funds will be ring-fenced solely for the new domestic services. Rex is yet to complete negotiations to secure funding.

Using Qantas' own logic, Qantas is guilty of misusing Commonwealth grant money to fund predatory anti-competitive actions that are loss making. In effect, Qantas commenced new operations on the Sydney-Orange route for the first time on 20 July 2020, at a time when Rex's load factor on the route was, and still is, below 30%. Qantas passenger numbers on this route are as follows:

Week	QF Passengers per Flight (Avg)	QF Load Factor
1	17	46%
2	14	38%
3	6	17%
4	4	11%
5	5	14%
6	6	16%
7	3	8%

Apart from the complimentary promotional tickets given out at the commencement of Qantas services to Orange in the first two weeks, there are only four to five passengers on each Qantas flight on average even seven weeks after launch, giving a dismal load factor in the low teens. Given this heavily loss-making initiative, one cannot but conclude that some managers in Qantas thought it fit to conduct a predatory strike to destabilise Rex at the expense of the taxpayers.

What is even more tragic is that the more additional losses Qantas incurs, the more staff it will have to retrench on top of the 8,500 already announced.



Regional Express

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 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.

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

