



STANDING COMMITTEE ON STATE DEVELOPMENT INQUIRY INTO REGIONAL AVIATION SERVICES

Supplementary questions: REX Regional Express Airlines

1. Why isn't the Sydney to Cooma air service viable? Do you believe the location of the airport is a significant factor (i.e. its distance from the ski fields)?

Response: We do not believe that this is relevant to the inquiry. In response to questions asked at the hearing, Rex explained that it requires a minimum of 30,000 annual passengers to make a regional route viable.

2. In your submission (page 16-17) you note that a number of regional airports are being upgraded to accommodate larger planes even though the number of annual passengers is being adequately met by existing seat capacity on the route. Do you acknowledge that larger aircraft may encourage more people to fly so Councils might consider this to be good strategic planning?

Response: Regional travellers do not choose to fly to a town because the airport is bigger. On the contrary, the larger airport would make travelling more expensive and subsequently reduce the existing demand. This is outlined in section 3.2 of the Rex submission.

3. You note in your submission (page 17) that it costs no more than \$500,000 to efficiently run a regional airport. Can you elaborate on what that figure is based on?

Response: This is based on our interaction with more than 30 regional airports for more than a decade.

4. You have discussed the successful partnership you have built with Parkes Shire Council (page 17). Do you have similar arrangements in place or being developed with other Councils?

Response: This is commercial information and we do not see the relevance to the inquiry.

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5. You note in your submission (page 3) that there has been a downturn in the aviation industry. Why do you think this has occurred?

Response: The reasons are obvious (including spiralling costs and weak demand) but we do not see the relevance to the inquiry.

6. Other submission authors claim that one of the reasons Regional Express ceased its Coonamble, Walgett, Lightning Ridge, Bourke and Cobar services was because of a serious shortage of pilots. Is this still an issue for the industry? Would you reinstate these services if the issue was resolved?

Response: We cannot speak for the industry but on the back of a massive Rex pilot training investment of some \$30M over the past 7 years, Rex no longer faces a shortage of pilots. As explained in the hearing questions, and above, Rex requires a minimum of 30,000 annual passengers to make a regional air service viable. Rex's network intentions are commercially sensitive.