



Rex Airlines needs to be saved in critical moment for aviation

The news of Rex Airlines entering voluntary administration is detrimental to Australia's aviation industry.

"We're thinking of the 600 employees who now face an uncertain future, while the travel plans of passengers have again been thrown into turmoil," Australian Airports Association (AAA) Head of Policy and Advocacy Natalie Heazlewood said.

"With our domestic market still dealing with the loss of Bonza, the unfolding financial crisis at the nation's third biggest airline is alarming. Rex Airlines provides a vital link to regional Australia and spurs much-needed competition against the major airlines on key routes."

"We cannot let this airline fail and urge the government to do everything it can to support the long term survival of Rex. Australia faces a significant competitive issue if we lose another airline."

"While the AAA is pleased to see regional services will continue to operate, we'd like to see a sustainable plan to ensure many of these communities aren't left stranded."

"The aviation sector is still recovering from the immense challenges of Covid-19 and this is another substantial setback."

Australia is one of the most concentrated airline markets in the world and the AAA consistently advocates for more competition in the market to drive down airfares.

AAA research showed Rex's entry into the highly-profitable Melbourne-Perth route led to airfares falling by 40% and added around 46,000 seats per year in additional capacity.

Rex's exit from the 'Golden Triangle' and other major cities hurts the buying power of consumers.

By the ACCC's own admission, the prospects for a more competitive domestic aviation industry in coming years would rely heavily on Rex expanding its offering.

The dominance of the slots system at Sydney Airport by the two largest carriers is also one of the biggest barriers to welcoming new entrants into the market.

"Rex Airlines' demise highlights the urgency for the federal government to finally implement reforms to make slots at Sydney Airport more accessible, which were announced back in early 2024," Ms Heazlewood said.

"As an immediate response, the AAA urges the government to direct the ACCC to conduct an inquiry into potential anti-competitive behaviour in the domestic airline market."

"The Aviation White Paper must also make strong recommendations to improve airline competition, regional connectivity and lower the barriers for new airlines."

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