

From: Mauleon-Wells, Isabelle <Isabelle.Mauleon-Wells@acc.gov.au>
Sent: Friday, 19 June 2020 12:14 PM
To: [REDACTED]
Cc: [REDACTED]; [REDACTED]; [REDACTED];
Channing, Darrell; Ward, Sophie; Mahony, Andrew
Subject: AA1000478 - Regional Express Pty Ltd - Information request [SEC=OFFICIAL:Sensitive]

OFFICIAL:Sensitive

Dear Mr Howel,

To assist the ACCC in its assessment of Regional Express Pty Ltd's (**Rex**) application for authorisation, we would be grateful if you could please initially acknowledge receipt of this email and, subsequently, provide the following information by **Monday, 6 July 2020**:

1. In relation to Rex's announcement, on 8 June 2020, regarding daily weekday return services and twice-daily return services on certain days, on seven of the ten regional routes for which Rex seeks authorisation (the **Relevant Routes**), please confirm:
 - a) if there has been an increase in demand for passenger transport on any of the Relevant Routes since the beginning of March
 - b) if the government grants have increased the number of services Rex is able to run, and
 - c) if the government grants have affected the profit/cost per passenger of running those services.
2. In relation to the Regional Airline Network Support (**RANS**) grant program, please provide:
 - a) a copy of Rex's application
 - b) a copy of any claims and/or reports relating to the Relevant Routes that Rex may have submitted to the Department of Infrastructure, Transport, Regional Development and Communications under the grant agreement
 - c) If not included in Rex's claims and/or reports, please clearly identify (i) Rex's revenue and volumes derived from passenger transport and (ii) Rex's revenue and volumes derived from freight transport (in relevant cargo unit of measurement), from January to the latest claim and/or report.
3. In addition to this information, please provide:
 - a) Rex's flight schedules on the Relevant Routes (i) prior to the COVID-19 pandemic and (ii) for the months of April and May 2020
 - b) information on current air fares and operational costs on the Relevant Routes compared to air fares and operational costs pre-COVID-19 pandemic. Please indicate if operational costs vary depending on the time of the flight
 - c) information on whether Rex's offer differs from Qantas' offer and Virgin's offer (if appropriate) on factors such as price, quality and flight capacity on the Relevant Routes and any other way through which Rex's offer differs from Qantas' offer and Virgin's offer (if appropriate) on the Relevant Routes
 - d) a copy of any relevant in-house forecasts of demand, industry forecasts/industry analyst reports on Australian domestic aviation.

If required, please ensure that Rex has obtained any necessary approvals from the Department of Infrastructure, Transport, Regional Development and Communications' prior to providing a response to question 2 of this information request.

We intend to publish this letter, together with Rex's response, on the ACCC's public register. If Rex wishes to request exclusion from the register of any information provided in response to this request, please clearly indicate this and provide brief reasons for the exclusion request when providing the information. For further information, see the ACCC's [Guidelines for excluding information from the public register](#).

If you have any questions, please do not hesitate to contact me on the number below,

Kind regards,

Isabelle

Isabelle Mauleon-Wells

Analyst | Adjudication | Merger and Authorisation Review Division

Australian Competition & Consumer Commission

Level 25 | 32 Turbot Street Brisbane 4000

<http://www.accc.gov.au> | T: (07) 3811 9218

The ACCC acknowledges the traditional custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.