

Canberra promised better air service

By JOHN-PAUL MOLONEY

Canberra will play a major role in the operations of Australia's newest regional airline after the sale of Kendell and Hazelton Airlines to Australiawide Airlines consortium went ahead in Sydney yesterday.

The consortium said the purchase would see an improvement in route services to Canberra, which would also be home to the airline's marketing and advertising departments.

But about 350 employees are expected to lose their jobs when the new owner centralises its main servicing and maintenance centres at Wagga, in NSW.

Major shareholder Pawl Cubbin said he was uncertain of jobs being lost in Canberra before the settlement of the sale on

July 21. "But we can say definitively that we will be hiring new staff and ramping up in a general sense from the time we take over from the administrators," he said.

A priority for the new airline would be improving inadequate services to the national capital, Mr Cubbin said.

"The Canberra route has really been neglected and we really want to bring that back to strength."

The regional airlines formerly owned by Ansett, had been operating under an administrator since the parent company collapsed in September last year.

Mr Cubbin, one of 12 shareholders in Australiawide, said he was relieved the sale had finally gone ahead. He complained

last Sunday that Kendell administrators had jeopardised the sale by not producing a full list of the company's assets.

Mr Cubbin and fellow Can-

berra-based shareholders John Hindmarsh, Bob Winnel and John Sayers — whose investments make up about a third of the company — are keen to in-

crease the frequency of flights to Canberra.

"We think there is a lot of potential in Canberra and the fact a significant amount of the shareholding takes place here doesn't do that cause any harm," he said.

At the signing of the sale contract at Sydney airport yesterday, Australiawide CEO Michael Jones said he was optimistic about the merged airline.

"I believe with capital and equity, we have far more than Virgin started with, we have sufficient working capital to ensure that we can do the plans that we need to go forward and both administrators have ensured that we are fully funded," he said.

Australiawide would not issue details of the sale.