

Cheap room boom lifts doom, gloom

by Mike Bruce

GOLD Coast room rates are at their cheapest in years, as operators battle a low season buffeted by swine flu and the economic downturn.

Accommodation houses have been discounting heavily since the end of the Easter holiday season to stay afloat and bridge the gap through to the school holiday season which starts later this month.

Even the luxury five-star Palazzo Versace, which is traditionally coy about trumpeting its rates and touting deals, has appeared on last-minute web accommodation giant Wotif.com with 'superior rooms' for \$270.

It is also on Gold Coast Tourism's travel site aimed at locals, YourCoast.com.au, with rates as low as \$268 for rooms with a rack rate of \$790 a night.

Palazzo Versace did not return calls to *The Bulletin* yesterday.

One veteran of the local tourism scene diplomatically labelled the current situation 'extremely competitive', saying operators were desperate for cashflow to keep their doors open.

Gold Coast hotel industry consultant Mike

SOME OF THE DEALS ON OFFER	
Palazzo Versace	Superior Room for \$270, rack rate \$790
Gold Coast International	Ocean View Room \$139, rack rate \$550
Courtyard Marriott	\$109, rack rate \$350
Islander Resort	\$89 and 20 per cent off breakfast, rack rate \$160
Outrigger Resort Gold Coast	\$89, rack rate \$199
Paradise Resort	Stay three nights and get a free theme park entry
Radisson Resort	Stay four, pay three, \$599 including breakfast and dinner

Jones said he had not seen internet offers in the market this low in years – the result of swine flu cutting a swathe through travellers' confidence.

"June is probably the telling month, particularly judging by what some hotels have on their websites," said Mr Jones. "The rates being offered to the consumer are far better than what they have been in previous years, much sharper than usual."

The situation was mirrored by figures out this week in the Midwood Queensland Investment Report, which showed that 2008 holiday accommodation occupancy on the Coast fell 5 per cent from 2007.

Gold Coast Tourism boss Martin Winter agreed accommodation houses had fixed costs and had to keep money

coming in, which in a tough market meant discounts or extras.

"You're better to break even at 70 per cent occupancy at lower rates, than go broke at 60 per cent at full price," said Mr Winter.

Many accommodation houses have been offering three-for-two or five-for-four deals, or bundling accommodation with other offers to keep the tills ringing.

Paradise and Sea World resorts are offering a free entry to the three Warner Village theme parks with every three-night stay until the end of June.

Anecdotally, the deals had resulted in several thousand room nights and about \$1.2 million in sales by the end of May.

- Half-price meal offer in Bite