



Fares to rise so MP says holiday here

by Peter Gleeson in Perth

AUSTRALIA'S major airlines could lift air fares by as much as 10 per cent over the next quarter and charge extra for luggage as rising fuel costs send them to the brink.

As 3000 delegates converged on Perth yesterday for the industry's peak conference – the Australian Tourism Exchange (ATE) – tourism chiefs were bracing for more pain from jet fuel costs, the high Aussie dollar and the impact of escalating living costs.

Federal Tourism Minister Martin Ferguson, speaking at the opening of ATE yesterday, said Australians should holiday at home rather than rush off to Europe or the US.

“By holidaying in this country you help an industry that is doing it tough,” he said.

“That’s what we are urging people to do in these very challenging times.”

Since last August, the price of jet fuel has doubled, forcing airlines to increase prices and slash overheads, including routes.

Qantas subsidiary Jetstar has cut its Cairns-Osaka flight schedule from 12 flights a week to five flights a week, meaning job losses.

The Gold Coast has escaped virtually unscathed, with two Sydney-Gold Coast Qantas flights cut, and Virgin Airlines has decided not to wield the axe at Coolangatta.

From October, Jetstar will add seven weekly flights between the Gold Coast and Osaka and will introduce five flights a week between the Gold Coast and Tokyo from December.

Last week, Mr Ferguson announced a \$4 million rescue funding package to help the Queensland industry, particularly north Queensland.

The Queensland Government had earlier announced its own \$4 million

rescue package, which will be used to attract Asian airlines to Queensland.

Federal Opposition tourism spokesman Steve Ciobo said yesterday the Rudd Government had ‘dropped the ball when the industry is at its most vulnerable’.

“This is a very difficult time for tourism and the Federal Government has been caught with its pants down after reducing Tourism Australia’s budget in May,” he said.

This week’s ATE agenda includes briefings from major airlines, including Qantas and Jetstar.

There is renewed speculation that Virgin will charge a fee for luggage to offset the impact of rising fuel costs, which are expected to turn a \$60 million profit into a \$40 million loss.

Delegates to this week’s Perth conference will be wined and dined in the style that Western Australia has become accustomed to thanks to the resources boom.

Despite the gloomy outlook for the industry in Australia, tomorrow night’s gala function will tempt the tastebuds and palate of the most discerning culinary types.

The gala function for 1500 people will feature a menu of dishes featuring local fare such as wild seared kangaroo and a rare venison that retails for \$300 a kilogram.

The wines will be the very best that Western Australia produces, including award winners from the Margaret River region.

Western Australia’s economic growth and performance over the past five years has been the best of any state in the country.

Perth is home to at least half a dozen mining billionaires, including the nation’s richest man, iron ore entrepreneur Andrew ‘Twiggy’ Forrest, who is worth an estimated \$8 billion.