



2 March 2010

Queensland Suffered Severity of Global Financial Crisis

Queensland business owners were the most severely savaged in Australia by the Global Financial Crisis (GFC) according to a survey released today.

More than a half (56%) said they had been “adversely affected”. It was the highest ratio of any Australian state and more than double a number of states.

The national survey of 5000 companies was sponsored by leading international accounting firm, MGI, which specialises in the family and privately-owned business sector.

MGI Brisbane Managing Partner, Grant Field, said that the survey shows that transport, primary production, construction and manufacturing sectors were the worst effected.

“They are the backbone of our state’s economy”, he said.

Mr. Field said that while half of all business owners responded by cutting costs, Queensland business owners also took the knife to payroll costs with about 25 per cent retrenching staff – significantly more than other states.

“This was widespread in the recreation and construction industries,” he said.

“More than 35 per cent of Queensland businesses deferred hiring staff – again more than most other states.

“Surprisingly the retail sector was least affected with less than 10 per cent retrenching staff. This was most likely the effect of the government stimulus package.” he said.

Today’s research results are part of the *MGI Australian Family and Private Business Survey*, which was undertaken by RMIT University. The researchers undertaking the current study are Professor Kosmas Smyrniotis and Mr Lucio Dana. The full report will be available mid year.

Mr. Field said the survey showed that banks had been “reasonably supportive” in Queensland but not to the level of the others states.

For further information including state and industry comparisons:

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