

Economy a basket case, say industry leaders

By **BILL HOFFMAN**

THE business outlook across Queensland may be rated grim but the Sunshine Coast economy was a "basket case", industry leaders said yesterday.

LNP shadow treasurer Tim Nicholls quoted new Bureau of Statistics figures which he said showed businesses were failing at a greater rate in Queensland than in any other state.

The figures indicate that 27.7%, or 133,096 Queensland businesses which existed in June, 2007, had disappeared by June last year.

"These figures are yet another reminder of just how badly the long-term Labor Government's mismanagement is hurting Queensland businesses," Mr Nicholls said.

"It is not surprising that so many have shut down when both the businesses and their customers have been whacked with a raft of higher taxes and charges, including power, water and fuel bills."

Sunshine Coast Business Council head Jason Law said he was struggling to get access to definitive data on net business loss here during the past two years.

He said while he had met mixed opinions, the general

feeling among accountants and lawyers, who serviced local business, was that the economic situation here was worsening, particularly in relation to insolvencies.

"One leading executive of a large firm with broad coverage of the Coast said 'the Sunshine Coast economy is a basket case'," Mr Law said.

"Applying the Queensland figures to the Sunshine Coast and taking into account our higher unemployment levels, you would have to say it's tough out there."

Mr Law said it was essential for a regional vision to be embraced and for strong leadership to generate political and business support.

Commercial lawyer Tony Sowden, of Sajen Legal, said recent reports had indicated the Sunshine Coast commercial environment was the worst in Queensland.

"The experience of clients of our practice and anecdotal evidence would support that," he said.

"We struggle because of the undeveloped nature of the economy. It lacks depth. It can't withstand compelling external forces."

Mr Sowden said there was an almost cargo cult mentality attitude to business growth that whatever turned up here would do.