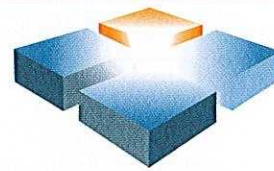


26 November 2008

Mr Glenn Stevens  
Governor  
Reserve Bank of Australia  
GPO Box 3947  
SYDNEY NSW 2001



CHAMBER OF  
COMMERCE &  
INDUSTRY  
QUEENSLAND

Dear Governor

Following the Prime Minister's Small Business Summit held in Brisbane on 24 October 2008 and our discussion in Sydney recently, the Chamber of Commerce and Industry Queensland (formerly Commerce Queensland) undertook to provide the Prime Minister and Treasurer with the latest up to date information on how the global financial crisis (GFC) is impacting on the Queensland business community.

To this end the Chamber has just completed surveying the State's business community on how the GFC is impacting on their operations. Key findings from the survey include:

- The largest issue for business at present is not the availability of credit, rather the devastating impact that the GFC is having on consumer and business confidence and accordingly their willingness to spend.
- One in four businesses has experienced a major to critical impact from the GFC with a commensurate downturn in their sales revenue.
- Fortunately despite the significant impact on sales the majority of Queensland businesses are currently reporting no impact yet on their employment levels. However 42% of businesses regard as likely the need to lay off staff over the next six months as a consequence of the GFC.
- In looking forward there exists a real perception that things will get worse before they improve particularly from the March quarter 2009 onwards. Two thirds of Queensland businesses believe that their growth prospects over the next six months will be weaker in light of the GFC.

Furthermore several issues from the survey that you will also be particularly interested in include:

- The media has drawn a great deal of criticism from business operators, with many citing their sensationalised portrayal of this issue to have added to the serious erosion of consumer confidence.
- The major banks' reluctance to pass on official interest rate reductions to business customers and the need for the Federal Government to intervene to address this issue.

I enclose a copy of the Survey results for your information.

Yours sincerely

Beatrice Booth  
**President**

ENCL: Impact of the Global Financial Crisis on the Queensland Business Community

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