

## NEWS

# Workers live on credit as construction boom ends



Geoff Egan | 26th Feb 2015 6:47 AM

THE mining construction boom's end is forcing unemployed Gladstone workers to live off their credit cards.

Australian Financial Securities Authority figures show 31 Gladstone residents were declared bankrupt in 2014's December quarter, with an insolvency expert pointing to the mining downturn as the cause.

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The figures show a small decline in business-related personal insolvencies, including sole traders, from 10 in the September quarter to six in the December quarter.

There was also a small drop in non-business insolvencies, driven by unemployment and credit card debt, from 35 to 31 over the same periods.

Insolvency accounting firm Worrells' partner Morgan Lane said the construction boom's end had forced unemployed workers to live off credit - which could not be sustained.

"Gladstone is getting affected by the turning off of some of the mining projects," he said.

"Non-business insolvencies are almost entirely credit card debt driven.

"People lose work, then eat through their savings and have to live off credit. But that doesn't last long.

"There is always a time lag on people getting into problems."

Mr Lane said the end of the construction boom was being felt across central Queensland.

*December quarter 2014 personal insolvencies in regional Queensland:*

- Gladstone - 37
- Townsville - 95
- Toowoomba - 43
- Rockhampton - 49
- Hervey Bay - 27

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