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## MEDIA RELEASE

### Building approvals plummet to 5 year low

The peak bodies representing Queensland's development, construction and property industries, today (10 March 2009) released disturbing figures showing a halving in the Queensland housing approval rate for the November, December, January quarter compared with the last five years.

The Urban Development Institute of Australia (UDIA) and Property Council of Australia (PCA) collectively called on both sides of state government to immediately announce election policies which respond to the dire figures.

The Australian Bureau of Statistics figures record a total Queensland dwelling approvals figure of 5,127 for the November 08/January 09 quarter, which represents a 49.93 per cent drop from the 10,239 average quarterly approvals rate since 2004.

UDIA Chief Executive Brian Stewart and Property Council Executive Director Steve Greenwood said the figures pointed to an alarming situation which threatened dramatic job losses.

Mr Stewart said the Queensland development industry employed 187,000 people on a full-time basis in 2007-08, with an additional 112,000 flow-on jobs resulting from that direct employment.

"A total of almost 300,000 employees working within and with the development industry equates to approximately 15 per cent of Queensland's workforce," he said.

"The UDIA has repeatedly raised concerns that the excessive infrastructure charging regime in Queensland would cause massive job losses in the current economic climate and our warnings have now proved to be correct," Mr Stewart said.

"If the current trend continues, one can only speculate on the number of job losses that are likely to occur throughout the state. This will require a massive and immediate response from the incoming Queensland government," he said.

In the lead-up to the state election the Property Council called on all parties to address the effects of infrastructure charging, development assessment timeframes and planning scheme amendments.

"We are calling for infrastructure charges to be capped at \$20,000 per house and \$15,000 per unit, pending the introduction of a more efficient mechanism to fund community infrastructure," Property Council Executive Director Steve Greenwood said.

“We are also calling for a commitment from the parties to legislate to ensure government departments and councils comply with development assessment timeframes – 100% of the time,” he said.

“Reducing delays in the development process caused by drawn out assessment and planning scheme amendment timeframes, would save thousands of dollars and some projects which would otherwise be rendered unviable.”

While the latest ABS figures point to dwelling approval declines across the country, Queensland has fared worse than any other state, with the 20.14 per cent decline in Victoria presenting a much more positive outlook.

“The industry has long said that Victoria’s significant advantage of having lower infrastructure charges would lead to a more competitive market in that state and consequently the retention of more jobs in the Victorian housing sector,” Mr Stewart said.

“The fact that Victoria’s dwelling approvals have declined only 20 per cent in a similar period, and from a similarly high level of 10,000 dwellings per quarter, is the strongest possible evidence for our representations against Queensland’s drastically increased infrastructure charges and inadequate land release policies,” he said.

Both the UDIA and the PCA also called for an extension of the \$21,000 First Home Owners Grant as critical to keeping the current housing construction market afloat.

“We can only guess how much worse these dwelling approval rates would have been without the boost of the First Home Owners Grant,” Mr Greenwood said.

“Beyond merely boosting a mediocre market, the grant is providing a critical life raft for the housing and construction industry,” he concluded.

End.

Media:

For more information, please contact Susan McCosker on 0422 567 667.

Attached – the ABS data.

**Dwelling Approvals for the last 3 Months (Australia Wide) compared**

	<i>Aust</i>	<i>Qld</i>	NSW	Vic	WA	SA	Tas	ACT	NT
Total No. of Dwellings Approved in the Last 3 months	<b>25982</b>	<b>5127</b>	5091	8152	3742	2531	672	462	205
Ave. No. of Dwellings Approved Quarterly for the previous 5 years	<b>39986</b>	<b>10239</b>	8842	10207	6108	2953	730	589	317
Percentage Decline from the Average	<b>35.02%</b>	<b>49.93%</b>	42.42%	20.14%	38.74%	14.28%	8.00%	21.60%	35.28%

Source: ABS 87310009 to Jan 09

