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MEDIA RELEASE

LATEST FALL IN JOBS, HOUSING APPROVALS – INDUSTRY ON ITS KNEES

With a further 8,000 jobs shed from Queensland’s construction sector in the last quarter, the stakes have been ratcheted even higher in the lead-up to the Premier’s Building Revival Forum (set for 12 April).

The peak body for the Queensland development and construction sector, the Urban Development Institute of Australia (Qld), released its quarterly Development & Construction Industry Performance Report today (22 March), outlining consistently bleak fundamentals for the building sector.

Drawing on all available ABS data for the March 2011 quarter, the report provides the most comprehensive available health check for an industry still struggling to recover from the onset of the GFC, compounded by the natural disasters of recent months.

UDIA Queensland President Warren Harris said the continuing declines in housing approvals, employment and affordability of housing would place even greater urgency on the outcomes of the April 12 housing recovery forum.

“The Queensland Government has acknowledged the dire conditions which the industry is currently operating in and made a commitment toward addressing those fundamentals within their control,” Mr Harris said.

“For home approvals, Queensland remains the state most affected since the GFC in 2008, with flood-affected approvals numbers having dropped a further 32% in January. These are the lowest levels in a generation for Queensland,” he said.

“Construction employment is strongly related to housing approvals, so it follows that employment has also suffered enormously, with a sharp decline of 7,849 full-time jobs lost in the quarter to February.

“This latest update on building activity should serve as further evidence that we need urgent outcomes from the forum – we all know the problems, we now need solutions.

“With the release of the Infrastructure Charges Taskforce report into the effects of infrastructure charging, we are hopeful that the recommended streamlining of charging will be adopted.

“However, over the last 10 years, the most profound change has been in the production lifecycle of housing, having blown-out from around 1-3 years to as long as 9 years in some locations. This is now a real productivity issue and it deserves to be right at the top of the agenda.

“With nearly 17,000 jobs lost in the sector since August 2008 and no immediate signs of recovery, the current situation is bleak.

“Beyond any doubt the decline in industry activity is having a massive impact - in Cairns, on the Sunshine Coast, in the Darling Downs and Wide Bay-Burnett regions, and indeed in just about every locality throughout Queensland,” he concluded.

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