

### **Patchy approvals send strong signal for reform**

South Australia has recorded another country-worst performance as the only state where building approvals are less than their 10-year average, according to the Australian Bureau of Statistics.

The patchy approvals data shows a need for urgent constructive reform in the building and construction sector, Master Builders SA says.

The \$2.7 billion of residential approvals last calendar year is down 4 per cent on the previous 12 months, according to the Australian Bureau of Statistics, but is up 8 per cent on the 10-year average of \$2.5 billion.

Non-residential, or commercial work, is reflecting a stronger result of \$1.7 billion up 13 per cent on 2014's \$1.5 billion.

But the number of housing approvals for the year shows the nature of Australia's economy, with South Australia the only state to record a fall in activity compared to 10-year averages, Master Builders SA Chief Executive Officer Ian Markos said.

"The Eastern Seaboard is booming: New South Wales is up 65 per cent, Victoria is up 32 per cent and Queensland is up 26 per cent. Tasmania is reporting a lowly 5 per cent increase over their 10-year averages. And where is South Australia? Approvals are 3 per cent behind our long-term average," he said.

"When we hear of companies connected to the building and construction industry failing, like Martelco yesterday, it's no surprise: if there is a lack of activity, that impacts not just numbers being reported, but on the families and communities of which those businesses are a part.

"We know the State Government is looking to build interest in the northern suburbs and is working on packages for our small builders in coming months and we commend them for that. And the planning reforms being championed by Deputy Premier John Rau can deliver real productivity and cost improvements for the sector.

"But it's time to talk seriously about the reforms proposed by our Industry Futures Group. It's time to act on fundamental change to build a more resilient sector. It's not about hand-outs – it's about sensible investments for the industry and the communities it builds.

"Defence is facing its valley of death. We don't want to find ourselves in a similar position because we failed to act."

### **Ends**

#### **For further information**

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#### **Available for interviews**

Ian Markos, Chief Executive Officer

## Background

Summary of building approvals data released by the Australian Bureau of Statistics for December 2015:

### VALUE OF SOUTH AUSTRALIAN BUILDING APPROVALS TREND (\$m)

	<i>Dec-2015</i>	<i>Previous 12 months</i>	<i>Ten year annual average</i>
Residential - New	\$ 2,306.4	\$ 2,434.2 (5%)	\$2,132.8 8%
Residential - Alterations, Additions	\$ 380.5	\$ 362.9 5%	\$356.7 7%
Residential - Total Work	\$ 2,686.9	\$ 2,797.0 (4%)	\$2,489.5 8%
Non Residential - Total Work	\$ 1,713.7	\$ 1,514.3 13%	\$1,697.8 1%
Total Building Approvals	\$ 4,400.6	\$ 4,311.4 2%	\$4,187.2 5%

### NUMBER OF BUILDING APPROVALS (12 MONTHS) TREND (number)

	<i>Past 12 months</i>	<i>Previous 12 months</i>	<i>Ten year annual average</i>
NSW	65,327	51,860 26%	39,559 65%
VIC	67,453	60,165 12%	51,194 32%
QLD	45,576	38,831 17%	36,297 26%
SA	10,872	11,396 (5%)	11,211 (3%)
WA	28,447	32,424 (12%)	24,841 15%
TAS	2,846	2,420 18%	2,710 5%
NT	1,644	1,966 (16%)	1,419 16%
ACT	4,050	3,817 6%	3,621 12%