

### **Looking for the corner for South Australian building and construction**

South Australia's third-largest industry shows its own two-speed economy with slight growth in home building over the past year failing to outpace the fall in commercial construction.

Data released today by the Australian Bureau of Statistics shows \$2.4 billion of private residential construction for the year to December 2015, up 5.6 per cent from the previous year.

But total commercial construction has recorded a 7.6 per cent fall to \$2.1 billion for the same period, leading to an overall 1.6 per cent fall in South Australia's building activity to a touch over \$5 billion in 2015, Master Builders SA Chief Executive Officer Ian Markos said.

"Our members are telling us that it is tough out there, and these figures prove it," he said.

"The pullback in Government investment in infrastructure is obviously hitting and hurting, and the main thing holding back private investment – confidence – is likely to be challenged with coming closures in automanufacturing and uncertainty in defence.

"Industry has provided the Government with a list of Budget-neutral reforms that can build a more resilient sector before it's too late. We don't want to find ourselves on the brink because people didn't listen to us and to the obvious warning signs."

South Australia is the only Australian state or territory to record approval figures lower than the average over the past 10 years, while Eastern Coast states are recording rises above 30 per cent. Rises in construction costs have helped push construction activity past 10-year averages but the 5.2 per cent increase reflects an overall consolidation of one of the State's biggest employers.

**Ends**

#### **For further information**

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#### **Available for interviews**

Ian Markos, Chief Executive Officer



|  | This Quarter | This Year  | Last Year    |        | 10-Year Average |        |
|--|--------------|------------|--------------|--------|-----------------|--------|
|  |              |            | Amount (\$m) | Change | Amount (\$m)    | Change |
| New Private Residential Construction               | \$ 582.5     | \$ 2,359.9 | \$ 2,234.4   | 5.6%   | \$ 2,114.2      | 11.6%  |
| New Residential Construction                       | \$ 590.5     | \$ 2,397.5 | \$ 2,307.6   | 3.9%   | \$ 2,218.1      | 8.1%   |
| New Private Residential Alterations and Additions  | \$ 110.0     | \$ 432.4   | \$ 433.3     | (0.2%) | \$ 415.4        | 4.1%   |
| New Residential Alterations and Additions          | \$ 110.9     | \$ 437.6   | \$ 437.2     | 0.1%   | \$ 418.4        | 4.6%   |
| New Private Residential Construction and Additions | \$ 692.5     | \$ 2,792.3 | \$ 2,667.7   | 4.7%   | \$ 2,529.6      | 10.4%  |
| New Residential Construction and Additions         | \$ 701.4     | \$ 2,835.1 | \$ 2,744.8   | 3.3%   | \$ 2,636.5      | 7.5%   |
| New Private Non-Residential Construction           | \$ 395.1     | \$ 1,549.3 | \$ 1,592.6   | (2.7%) | \$ 1,326.9      | 16.8%  |
| New Non-Residential Construction                   | \$ 559.3     | \$ 2,086.8 | \$ 2,257.2   | (7.6%) | \$ 2,041.6      | 2.2%   |
| New Private Construction                           | \$ 1,087.6   | \$ 4,341.6 | \$ 4,260.3   | 1.9%   | \$ 3,856.5      | 12.6%  |
| New Construction                                   | \$ 1,260.7   | \$ 4,921.9 | \$ 5,002.1   | (1.6%) | \$ 4,678.1      | 5.2%   |

Source: Australian Bureau of Statistics, Construction Work Done, December 2015. Cat: 8755.0.