

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
ABN: 38 004 255 654

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Victorian building activity holds steady in 2012

- Total building works climb 0.2 per cent to \$24.4 billion in 2012.
- Non-residential construction boosted by \$364 million to nearly \$8.6 billion
- Public sector works fall by 18.5 per cent or \$551 million.
- Residential works fall, with nearly 3000 fewer new dwelling starts.
- Home renovations works increase by \$28 million while falling in all other mainland states.

New data shows the value of building work in Victoria increased by \$56 million (0.2 per cent) in 2012 and picked up during the December quarter in what is a hopeful sign for the industry's recovery.

Building activity figures released yesterday by the Australian Bureau of Statistics (ABS) showed the value of construction work for the December quarter was 5.2 per cent up against the previous quarter and 3.9 per cent up compared to the same time in 2011.

"There are some hopeful trends pointing towards a potential recovery for Victoria's building industry," said Master Builders' Executive Director, Brian Welch.

"We are seeing signs for cautious optimism in many parts of our sector, which is still Victoria's second-largest provider of full-time jobs.

"Some \$6.3 billion worth of construction works took place across Victoria in the December quarter, which was the highest quarterly volume in two and a half years.

"While the increase in total construction work throughout 2012 was small, Victoria significantly outperformed all other mainland states across the country."

Non-residential construction works went up by \$364 million in 2012 to nearly \$8.6 billion. This included a substantial jump in private sector work worth an additional \$915 million, while public sector work declined some \$550 million.

"This data shows that the private sector is looking to invest in building and construction works," Mr Welch said.

"It's time governments also do some of the heavy lifting by investing in more major projects that will support jobs in our sector and deliver long-term benefits for our community."

The number of new residential dwellings started across the state declined by 5.3 per cent in 2012 to their lowest point since 2009.

"There were nearly 2900 fewer new homes started last year, which will place future pressure on property prices as we look to accommodate a growing population," Mr Welch said.

"We now have a two-speed residential building sector in Victoria, with 5000 fewer new houses started last year while multi-unit starts climbed strongly by some 10 per cent.

"Our state also led the way when investing in home renovations and extensions, which climbed by \$28 million to over \$2.3 billion while investment declined in all other mainland states."

Media enquiries: Tim Salathiel, Policy & Communications Manager, 0413 450 254
tsalathiel@mbav.com.au

Breakdowns of construction activity, comparing Victoria with other mainland states, is available for media outlets by contacting Master Builders.

Table 1: Value of construction work done (Chain volume measures – seasonally adjusted)

	Vic	NSW	Qld	SA	WA
2011	\$24.36 billion	\$18.62 billion	\$15.34 billion	\$4.90 billion	\$12.22 billion
2012	\$24.42 billion	\$18.08 billion	\$15.05 billion	\$4.56 billion	\$12.10 billion
Change (\$)	\$56.0 million	-\$540.9 million	-\$296.6 million	-\$335.2 million	-\$124.7 million
Change (%)	0.2%	-2.9%	-1.9%	-6.8%	-1.0%

Source: Australian Bureau of Statistics, Building Activity 8752.0

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