

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
ABN: 38 004 255 654

12/11/2014

Building industry confidence soars as election approaches

A pre-election surge in builders' confidence and business conditions has been recorded in Master Builders' latest sentiment study.

Expectations for growth in the industry are now at a five year high while the industry is also feeling more confident about our economy's future too.

"This rise in optimism is happening as builders prepare to watch our politicians spend up big on building and construction projects to win over Victorians voters," said Master Builders Chief Executive Officer, Radley de Silva.

"We are seeing promises that will deliver job-boosting construction projects in key areas like regional cities and Melbourne's outer suburbs.

"With less than three weeks to go before Victorians head to their ballot boxes, I think it safe to assume we will see even more funding for building works like new hospitals, schools, sports grounds and roads."

Master Builders' *Industry Expectations Index* climbed 4.4 points in the latest survey to reach 59.2 points, the highest result achieved since the September 2009 quarter. It has surged 11.2 points in the past year.

In a trend that has now taken place in 23 of the past 26 quarters, Victorian builders are more positive about their industry's opportunities than builders elsewhere in Australia.

"We are seeing a recovery in many parts of the building industry and this is being reflected by the consistent, upward trend in our sentiment indices throughout the year," said Mr de Silva.

"Builders are now reporting that they have more work on their books, are feeling more positive about our economy's prospects and are more likely to take on additional people."

Master Builders pointed to two potential solutions that could further lift confidence in the industry: more support for home buyers and owners; and the delivery of East West Link, with Labor promising to rip up the project's contracts.

"The Coalition and Labor have focussed on infrastructure construction projects, which we do need to kick-start some parts of our sector, but we haven't seen anything yet to encourage more Victorians to go out and buy a new or off-the-plan home," Mr de Silva said.

"Labor's commitment to rip up multi-billion dollar contracts for East West Link will see contractors question the certainty of work they might derive from any future government infrastructure projects.

"Cancelling East West when it is shovel-ready would be a major blow to confidence and investment in our sector, which is Victoria's second largest provider of full-time jobs."

Media enquiries: Laura Luvara, Media Adviser, (03) 9411 4534, 0466 777 059,
lluvara@mbav.com.au

www.mbav.com.au

Other results from Master Builders' industry sentiment survey show:

- Expectations of the economy have climbed to a five-year high of 59.5 points, up 5.1 points in the past three months and 15.2 points higher than the same time last year
- One in three builders reported to having at least six months of work on their books, up from one in four during the previous quarter
- Building and construction companies are now more likely to take on additional apprentices than at any other point since late 2011
- A jump has been recorded in the difficulty for companies to find key personnel like project managers, site managers, foremen/supervisors, carpenters and bricklayers.