

Media Release



MASTER BUILDERS
AUSTRALIA

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Commercial Construction Hits A High But Need To Hit The Go Button On Infrastructure Construction

“Official figures for the first quarter of 2019 show that construction activity across Australia dropped by 1.9% compared with the end of 2018 – but there were signs of growth in some important areas,” Shane Garrett, Master Builders Australia’s Chief Economist said.

“During the March 2019 quarter, civil construction activity dropped back by 3.9 per cent although commercial building saw growth of 3.6 per cent to reach a new all-time high,” he said.

“The re-election of the Morrison Government will boost confidence in our industry and is being welcomed by the hundreds of thousands of small firms active in building and construction,” Shane Garrett said.

“Unfortunately, the decline in civil construction activity during the opening quarter of this year will not be a surprise to the industry. The time taken for government infrastructure announcements to translate into real, visible activity on the ground is often far too long,” he said.

“We don’t want to see projects languishing on lists. We are hopeful that the Government’s renewed mandate will drive new energy in getting more projects shovel ready and construction work started,” Shane Garrett said.

“Turning to the commercial building space, it is encouraging to see the continuation of modest yet consistent growth. Population and employment increases continue to be robust in most parts of Australia. This creates the need for more offices, schools, hospitals and shops. Today’s figures indicate that this demand is indeed being matched by the building industry,” he said.

“Not surprisingly, residential building moved backwards by 2.3% during the March 2019 quarter. Despite the fact that Australia’s population expanded by almost 400,000 over the past 12 months, fewer new homes are being built due to the negative impact of micro factors including the slow motion credit environment post-Royal Commission,” Shane Garrett said.

“We look forward to the quick implementation of the government’s election pledges around First Home Buyer home loans and support for small businesses,” Shane Garrett said.

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