

# Media Alert



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**MASTER BUILDERS**  
A U S T R A L I A

## **Bouncing From Boom To Boom; Housing Slips But housing But Transport Infrastructure Takes Off**

Master Builders welcomes the more positive GDP growth presented in the latest ABS national accounts statistics released earlier today which shows GDP growth of 1.1 per cent during the December quarter 2016.

“Dwelling investment made a turnaround, growing by 1.2 per cent during the quarter and largely offsetting the fall recorded during the September quarter 2016. But, weak building approvals data and volatility in the investment statistics are strong indicators that we are very close to the peak of the housing construction cycle, and support Master Builders’ projections for a softer period for residential building activity likely in the second half of 2017,” Matthew Pollock, Master Builders National Manager – Housing said.

“Non-dwelling investment continues to transition from a post mining boom phase, but the recent data shows the non-residential sector finished the year strongly, with investment growing by 5.7 per cent, to 23.7 billion. This is a positive sign for prospects in 2017. The completion of around \$50 billion of major LNG projects slated for the next six months is likely to continue to drag on activity in the short term, but more sustained growth is expected to return looking past the next six months,” he said.

“Looking forward, dwelling investment is projected to be flat, with a small contraction of 0.3 per cent expected for 2016-17, taking a major driver of the past few year out of the economic growth equation,” Matthew Pollock said.

“But a number of major transport infrastructure projects are slated to pick up the growth baton. We are bouncing from boom to boom, with the value of work done on transport infrastructure projects projected to spike in 2017-18 to over \$33.6 billion, up by 25 per cent on the previous year, and contribute 0.3 per cent to GDP growth. Over the four years to 2019-20 the combined value of transport infrastructure investment is projected to reach upwards of \$132 billion, supported by a series of major road and rail projects, particularly in New South Wales, and to a lesser extent Victoria,” he said.

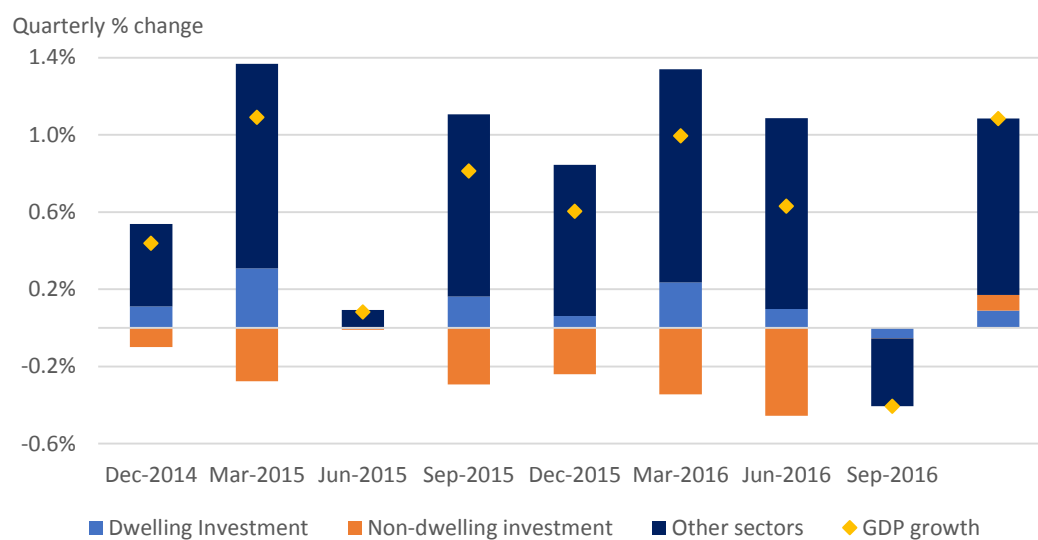
“But public money is set to support the lion’s share of major transport project activity, with the ongoing fall in private investment still weighing negatively on economic growth. Urgent Budget reform is needed to attract private investment back into the economy. Master Builders supports the Government’s proposed company tax cuts, to restore competitiveness in Australia’s corporate tax system and to attract a greater level of private investment - from domestic and international businesses,” Matthew Pollock said.

“Master Builders supports the government’s agenda to promote productivity-enhancing reforms as noted in the Harper Review into competition in Australia, including recommendations to improve efficiency in the housing market by removing regulatory impediments to the supply of new homes,” Matthew Pollock said.

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## Contribution to GDP Growth



Source: ABS 5206.0