



Speech by

## Hon. Robert Swarten

MEMBER FOR ROCKHAMPTON

Hansard Thursday, 9 August 2007

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### MINISTERIAL STATEMENT

#### Building Industry

**Hon. RE SCHWARTEN** (Rockhampton—ALP) (Minister for Public Works, Housing and Information and Communication Technology) (10.01 am): Homeowners and renters across Australia are going to be hurt by the interest rate rise yesterday, which will drive up private rents and put more and more pressure on social housing. Despite promising to keep interest rates at record low levels, the Howard government has now presided over five interest rate rises since the last election.

**A government member:** How many?

**Mr SCHWARTEN:** Five. There have been five interest rate rises since the last election, and this highlights the dishonesty of Mr Howard and his government and why the people of Australia will square him up whenever he has the guts to go to an election.

There is no doubt the interest rate rises will put pressure on our building industry here in Queensland. Despite the Howard government's interest rate rises, under our government's sound economic management the Queensland building industry has performed well, even while there has been a building industry downturn in the rest of the nation. The Building Services Authority monitors building activity trends both nationally and locally. Queensland is maintaining its status as the economic powerhouse, with the building industry leading the way in the residential sector with record numbers of starts.

During 2006-07, the BSA insured 93,166 residential construction work projects, exceeding its forecast of 86,000 by more than eight per cent. To 30 June 2007 the total value of insured construction was \$10.3 billion, with new home construction making up \$8.8 billion and alterations and additions being \$1.5 billion. We can imagine how popular that increase yesterday was for the people who draw their living out of this industry. This time last year the BSA had insured residential construction work to the value of \$8.6 billion across 85,023 policies. New home construction has increased over the last year and now represents 46 per cent of residential building work contracts. Again, imagine how welcome that news was yesterday for that group of people after Mr Howard broke another promise.

The average contract value of both alteration and addition projects and new home constructions reduced slightly, with an average alteration and addition cost of \$28,858 and an average new home construction cost of \$222,241. As more licensees enter the Queensland market, it would seem that pricing is becoming more competitive. That will take a downturn as a result of yesterday's announcement. The Queensland building industry has never been stronger, but the main challenge it faces is the interest rate rises of the Howard government—a government which we all know will be out of power soon.