

5 November 2008

## Red Tape Reform Also Now Needed

HIA, Australia's largest building industry association, believes weak building approvals throughout 2008 to date confirmed the importance of rate cuts that will hopefully put a floor under new home building activity and stimulate a much needed recovery in the sector.

HIA Chief Economist, Harley Dale, said that on a seasonally adjusted basis, total building approvals decreased by 7.2 per cent in September to be down by 21.6 per cent on the same month last year. The number of detached house approvals fell by 3.7 per cent. Approvals for the multi-unit sector fell by 14.6 per cent.

Over the September 2008 quarter building approvals fell by 8.1 per cent and were 11.8 per cent lower compared to the September quarter last year.

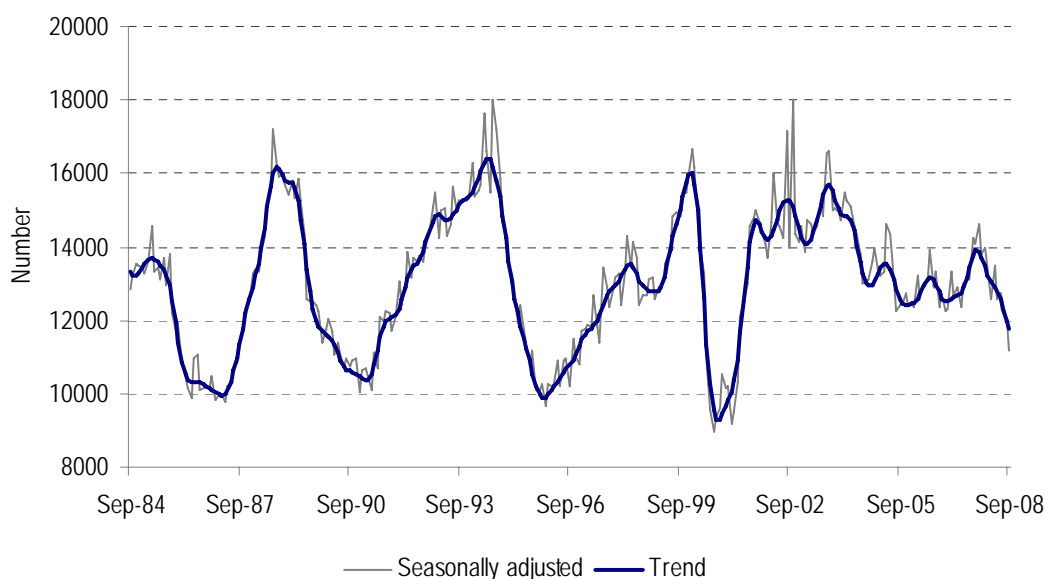
"Urgent action in sorting out land release, infrastructure servicing and planning delays are now essential in ensuring a recovery in building activity in residential construction.

Trying to kick start housing activity with interest rate cuts and first home buyer stimulus needs to be matched by greater efficiency in planning administration and associated reduction in charges and levies applied to new developments," Mr Dale added.

The fall in interest rates combined with the new incentives with respect to the tripling of the First Home Owners Grant HIA hopes will stimulate building activity through the final quarter of the year.

On a state by state basis the number of seasonally adjusted building approvals in September fell by 26.4 per cent in New South Wales, 3.7 per cent in Victoria, 2.3 per cent in Tasmania, and 13.8 per cent in Western Australia. Building approvals increased by 3 per cent in Queensland and by 3.9 per cent in South Australia. The trend number of building approvals was down by 2 per cent in the Northern Territory and by 4 per cent in the Australian Capital Territory.

Building Approvals - Australia



**For further information please contact:**

Harley Dale on 0414 994 186

Ben Phillips on 0424 147 321