

CCF WA MEDIA RELEASE

Housing stimulus needed to save the subdivision sector, says CCF WA

Western Australia's civil construction industry has supported calls for direct Government stimulus to boost activity and save jobs in the residential subdivision construction sector.

The Civil Contractors Federation WA's request came in response to a report released by the Housing Industry Forecasting Group (HIFG) today revising its forecast for dwelling commencements in WA this financial year down from 15,500 to 12,500. The HIFG report noted that COVID-19 "is likely to make an already bad situation worse".

CCF WA CEO Andy Graham said the revised forecast could yet prove to be optimistic, with the full effects of COVID-19 still to be measured.

"What we do know is that new home construction activity in Western Australia, which was already at 20-year lows, is now going to fall at least another 20% this year," Mr Graham said.

"That is deeply concerning news for those civil contractors and suppliers who rely on residential subdivision activity to stay in business.

"Most of these companies have ongoing projects in the short-term, which means they may not qualify for targeted Federal stimulus such as JobKeeper. But as those current projects come to an end these businesses are facing an uncertain future.

"Opportunities are drying up for the rest of this year, and next year, as land developers respond to reduced demand by deferring planned new stages.

"The last few years have been tough enough – a sustained downturn in subdivision activity will inevitably lead to substantial job losses."

CCF WA endorses recent calls from building and land development groups for immediate stimulus including an increase in the First Home Owner Grant; an increase in the first home stamp duty concession; and fast-tracked development of community housing and affordable land developments.

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