

Media Release



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STATE GOVERNMENT STIMULUS MEASURES NEEDED TO SUPPORT HOMEBUILDER

Australian Bureau of Agricultural & Resource Economics & Sciences (ABARES) Insights Report# is a timely reminder of the forecast looming drop in new home and associated timber demand and the ongoing need for targeted stimulus measures to boost new construction.

The Insights Report details the significant impacts of bushfires and Covid-19 on construction and our timber industry i.e. *'In the shorter term, the expected decline in residential dwelling commencements due to COVID-19 related restrictions has fuelled concerns that demand for sawn wood could decline significantly over the next six months.'* Findings that clearly reflect dire industry forecasts that new home demand and associated timber demand could plummet by 50 per cent by year end, without significant intervention, risking thousands of jobs in the 45,000 strong softwood timber sector.

Australian Forest Products Association (AFPA) CEO Ross Hampton said, "The Federal Government's quick action on CoVid-19 has effectively saved the livelihoods of thousands of Australians. The housing construction sector is the engine room for growth and jobs in Australia's economy, and that includes the timber industry."

"HomeBuilder coupled with some State Governments' (e.g. WA, QLD and TAS) complementary stimulus measures are showing some early positive signs of increased consumer confidence and bringing forward new home demand. However, other states need to follow that lead."

"Revitalising new home demand in the wake of CoVid-19 is a complex problem that needs a large and coordinated policy response by all levels of government to address it. Targeted stimulus measures are required to kick-start renewed consumer confidence and new home demand, including State and Federal government new home grants; direct investment in new social and affordable housing programs; and tax, stamp duty and land price relief."

"We urge those State governments that have not yet announced complementary stimulus measures to support new home demand, to do so. We also call on all levels of government to work together and directly invest in significant new social and affordable housing programs to further stimulate this important sector," Mr Hampton concluded.

ABARES Insight Report *'The analysis of effects of bushfires and COVID-19 on the forestry and wood processing sectors'* 30 June 2020.

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