

Population demands drive sector

KIRSTIN PAYNE

kirstin.payne@news.com.au

DEVELOPMENT on the Gold Coast must increase significantly to meet population demands, warns the Urban Development Institute of Australia.

But industry stakeholders are at odds about threats to meeting demand, with the peak building industry group saying land shortages and labour costs are risks while a subcontractors' spokesman has urged a tightening of enforcement of laws covering the building industry and to rein in illegal phoenix operators.

CEO Kirsty Chessher-Brown says the rate of construction on the Coast needs to pick up by at least 37 per cent to supply housing needs as the population explodes. The Gold Coast's population is forecast to be in the vicinity of 900,000 by 2041.

"In development terms that is significant," Ms Chessher-Brown said. "We need to see a 37 per cent increase based on current construction to hit targets."

With the Gold Coast hailed

as the fastest growing region in Australia, the institute predicted locals could expect to see plenty of action in the next decade.

"It is expected the additional 80 per cent of stock will be consolidation, delivered within the existing urban area

on the Gold Coast," Ms Chessher-Brown said.

"This isn't necessarily units but townhouses, detached houses and split blocks.

"Filling out that missing middle residential option is incredibly important.

"As a lifestyle market, the Gold Coast is a high amenity preferred location so it is really important we monitor land supply and dwelling delivery, and make necessary changes to planning.

"Affordability is still there. What is important in terms of planning, however, is that the scheme is updated over time to match population growth."

Queensland's peak building industry group warned a shortage of land and labour in the region must be tackled.

Master Builders Queensland deputy CEO Paul Bidwell

said a recent survey of members found labour prices and a shortage of land remained the most pressing constraints.

"We are finding there is less greenfield land available on the Gold Coast, and the beginning of a skills shortage, but the land shortage will mainly impact housing developments," Mr Bidwell said.

"Where land is available, it's at a significant cost."

Demand for high-quality workers on the Gold Coast had also led to what Mr Bidwell described as a "Goldilocks period" for contractors.

"It is a much better market than we saw years ago. Now we have some stability in the system people want more workers but we are starting to see a little pressure," he said.

Subcontractors Alliance spokesman Les Williams warned a lack of enforcement of laws covering the industry rather than labour costs posed a threat.

"From a subcontractors' perspective, who undertake and underwrite over 80 per cent of the building and construction here, the lack of en-

forcement of criminal law, corporation law and building law need work," he said.

Mr Williams said further deterrents were needed to rein in illegal phoenix operators, who would transfer assets to other companies when a building company collapsed and would deliberately avoid paying creditors.

"I would say that until the State Government's new building industry fairness laws are introduced, Gold Coast subcontractors are vulnerable," he said.

BUILDING UP OUR ECONOMY

Construction sector responsible for ...

- 24,407 Gold Coast jobs
- 31,313 indirect jobs
- \$1.640 billion in annual wages and salaries

CONSTRUCTION BONANZA

SPIRIT

START: 2018

COMPLETION DATE: 2021

NO OF JOBS: 945 construction jobs,
585 employees once complete

PROJECT STATUS: Under
construction

PROJECT COST: \$1.2 billion

VARSITY TO TO MUDGEERABA M1 UPGRADE



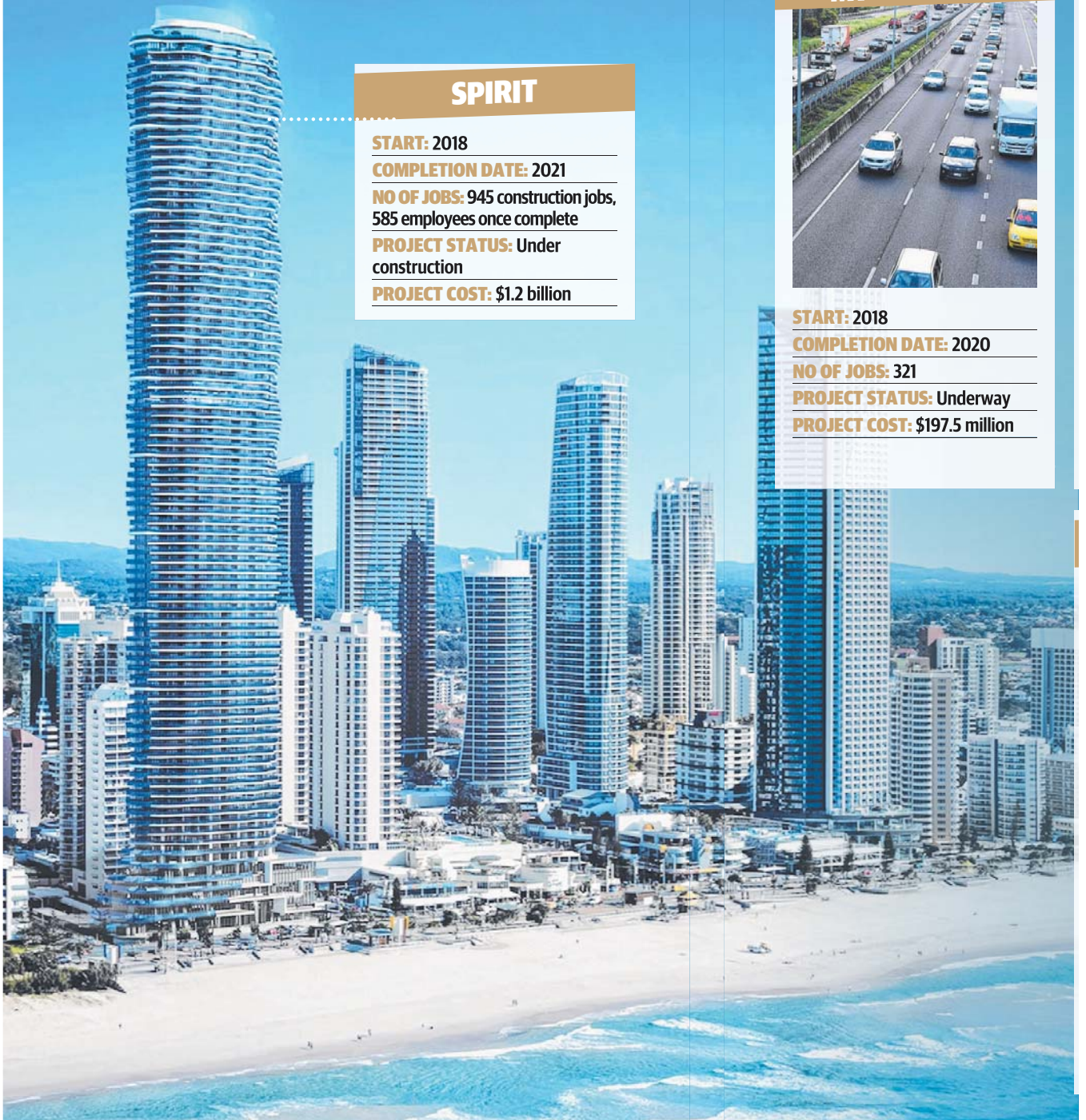
START: 2018

COMPLETION DATE: 2020

NO OF JOBS: 321

PROJECT STATUS: Underway

PROJECT COST: \$197.5 million



JEWEL



START: 2015

COMPLETION DATE: 2019

NO OF JOBS: 2700
construction jobs

PROJECT STATUS: Under
construction

PROJECT COST: Over \$1 billion

RUBY



START: Late 2017

COMPLETION DATE: 2022

NO OF JOBS: 5000 during
construction, 1100 on completion

PROJECT STATUS: Under
construction

PROJECT COST: \$1.4 billion

LIGHT RAIL STAGE 3A



START: 2020

COMPLETION DATE: 2023

NO OF JOBS: 2400 during
construction, 39 operating phase

PROJECT STATUS: Business case

PROJECT COST: \$490 Million at
an estimate of \$70 million per
kilometre

STAR MASTER PLAN



START: December 2016

COMPLETION DATE: 2028

NO OF JOBS: 2000 construction
jobs, 6000 employees once
project complete

PROJECT STATUS: Tower 1
construction set to start in August

PROJECT COST: \$2 billion