



the voice of the industry

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Stimulus Measures Will Support Home Building

“HIA welcomes the Australian Government stimulus package, particularly the support provided for apprentices,” said HIA Chief Economist, Tim Reardon.

“The residential building industry has contracted by around 20 per cent from its peak during the May 2018 quarter and most indicators showed an improvement in conditions in the second half of 2019.

“Australia is emerging from a residential building downturn and in the face of constraints on trade and tourism, stability and clear direction to ensure the housing market does not take a backwards step is essential.

“The construction industry employs over 1.1 million people, with residential building work generating over \$105 billion for the Australian economy in 2018 and accounting for 5.8 per cent of expenditure in the Australian economy.

“The measures announced today will assist in stimulating household demand and prevent a further slowdown in building activity.

“The Australian Government pledged \$1.3 billion to support keeping apprentices employed by providing small businesses up to \$21,000 per apprentice to subsidise apprentice wages by around 50 per cent.

“Apprentice employment is typically an early casualty during periods of economic downturn and this support for small businesses will ensure that fewer are lost during this cycle.

“The extension of the instant asset write off scheme to businesses with a turnover of up to \$500 million, and to an asset value of up to \$150,000, will also assist small businesses in the construction industry.

“Similar measures enabling accelerated depreciation have been effective in increasing capital investment in the past,” concluded Tim Reardon.

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