



Queensland
Government

QUEENSLAND TREASURY
ECONOMIC POLICY BRANCH

BUILDING APPROVALS: JUNE 2004

ABS 8731.0

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Summary

Monthly % Change (Trend):

Queensland ↓ 0.1%
Australia ↑ 0.2%

Analysis

The total number of dwelling approvals (trend) in Queensland fell slightly in June 2004 (declining 0.1%). Monthly approvals have fallen each month since October 2003. Approvals of private sector houses declined 3.3% during the month while approvals of other residential buildings rose 6.3%. The number of approvals in the rest of Australia rose 0.2% in June 2004.

While the number of approvals in Queensland declined in trend terms, the more volatile seasonally adjusted (s.a.) data showed total approvals increased 26.0% in June, with private houses falling 1.0% and other dwellings almost doubling, up 98.3%. By contrast, in the rest of Australia, total approvals declined 4.5% in s.a. terms, with private houses increasing 2.9% and other dwellings declining 18.5%.

The total number of building approvals in Queensland was 5.5% lower in June 2004 compared with a year earlier. While private house approvals declined 12.4% over the year to June, other residential building approvals (units, townhouses, etc) rose 9.7%. In the rest of Australia, total approvals were 1.2% higher over the year, with approvals of private houses down 4.5%, but other residential buildings up 13.3% over the year.

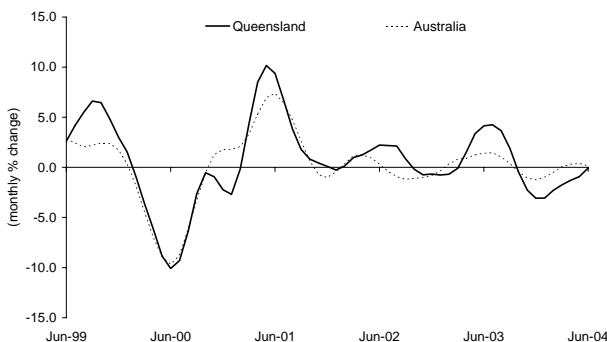
Table 1: Dwelling Approvals, June 2004

	Monthly % change	
	Qld	Aust
Trend		
Total No. Residential Approvals:	-0.1	0.2
Private Sector Houses	-3.3	-0.4
Other Residential Buildings	6.3	0.9
Seasonally Adjusted		
Total No. Residential Approvals:	26.0	1.5
Private Sector Houses	-1.0	2.0
Other Residential Buildings	98.3	-0.5
	Annual % change	
Trend		
Total No. Residential Approvals:	-5.5	-0.4
Private Sector Houses	-12.4	-6.4
Other Residential Buildings	9.7	12.4
Seasonally Adjusted		
Total No. Residential Approvals:	16.3	-1.5
Private Sector Houses	-11.9	-10.9
Other Residential Buildings	103.3	24.4

Table 2: Dwelling Approvals (trend), States, June 2004

States/Australia	monthly % change	annual % change
Queensland	-0.1	-5.5
New South Wales	-1.1	-2.4
Victoria	-0.1	-8.4
South Australia	0.6	4.5
Western Australia	0.6	9.7
Tasmania	2.1	24.3
Australia	0.2	-0.4

Chart 1: Dwelling Approvals (trend)



Implications

The high volatility of monthly building approvals data continues to make interpretation difficult. Trend data currently indicate a mild rate of decline in approvals in Queensland; however, the overall level of approvals remains at a high level. Housing finance approvals suggest that approvals may even strengthen in the coming months. The number of finance approvals for the construction of dwellings for the three months to May 2004 was 7.3% higher than in the previous three-month period.

The high level of dwellings approved in Queensland over the past two years has caused an accumulation of approved building work in the pipeline, suggesting that actual dwelling investment should remain strong throughout 2004-05.