



Business

Aus Dollar:
US107.03c
+19

Gold:
\$US1535.72
+74

Oil:
\$US100.33
-23

Coast falls behind with new projects

RESIDENTIAL AND COMMERCIAL BUILDING STARTS



GOLD COAST 2010

January: 295
February: 475
March: 521
April: 423

GOLD COAST 2011

January: 69
February: 100
March: 69
April: 15

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GYMPIE has copped labels like "backward" and "backwater" from southeast Queensland residents for years, but the city overtook the Gold Coast in one crucial area in April.

Just 15 residential and commercial projects kicked off on the Gold Coast in April, while Gympie - which has a population of 49,334 - had two more developments start that month.

Gympie Regional Council planning staff reported things had gone quiet in the city recently and the projects under way were almost half

the building work from the same month last year.

But, based on percentages, the Gold Coast had a much worse month, since work started on 423 building projects in the same period last year.

The shocking construction numbers were part of a terrible four-month period for the city.

From January to April a total of 253 residential and commercial building projects started on the Gold Coast, compared with 1714 the year before and 2290 in 2008.

Gold Coast Mayor Ron Clarke unveiled the figures at an Institute of Business Leaders breakfast yesterday where he was asked to out-

line what companies could expect from this year's budget.

"I have never seen it worse," he told business managers and owners. "Stimulating the economy is the big challenge for us."

Cr Clarke blamed the banks for refusing developers finance and said the Federal Government needed to get involved and offer guarantees to get things going.

Gold Coast City Council is negotiating with the construction industry about its plan to lower infrastructure charges further than State Government caps and details of the proposal are expected to be finalised by next week.

Cr Clarke said he feared the

reduced infrastructure charges and work on State Government projects like the Gold Coast University Hospital had come too late to save the city.

"These things should have happened 12 months ago," he said.

Several business leaders commented about the poor state of the economy during the Institute of Business Leaders event, which included several representatives of companies that rely on the construction and property industries.

Council CEO Dale Dickson also spoke at the breakfast and highlighted the organisation's long-term focus on making the city economically "bulletproof".

MARKETS

AllAus50	4672.2	+38.6
AllAus200	4707.8	+41.2
All Ords	4788.9	+42.8
Div Opp	1538.4	+7.0
EmergingCo	1844.5	+22.6
ASX20	2831.6	+24.5
ASX50	4690.7	+38.8
ASX100	3840.3	+31.9
ASX200	4708.3	+40.8
ASX200 INV	400.9	-7.0
ASX200 LEV	926.9	+15.8
ASX200 RES	5801.7	+74.9
ASX300	4716.6	+41.5
ASXMidCap50	4357.0	+37.5
Small Ords	2705.3	+37.1
CnsmrDiscr	1419.9	+4.0
CnsmrStapl	7854.0	+37.5
Energy	16475.4	+208.7
Financials	4354.6	+31.9
FinxPropTr	861.7	-2.0
HealthCare	8684.8	+68.3
Industrial	3657.8	+24.9
Info Tech	590.7	+7.7
Materials	13709.0	+173.6
Property Tr	861.7	-2.0
Tel Service	1035.3	+0.6
Utilities	4353.4	+24.5
SPI	4728	+18.0
NZSX 50	3547.6	+4.7
Nikkei	9693.7	+188.8
HangSeng	23684.1	+499.8
Dow Jones	12441.6	+38.8
Nasdaq	2796.9	+13.9
FTSE-100	5999.8	+61.0
Trade-weighted	77.8	
\$A in yen	87.34	
\$A in euro	1.3454	
\$US in yen	81.56	
Euro in US	1.4414	
US 30-yr T-Bond	4.26	
Aust 10-yr T-Bond	5.22	
Aust 90-day bill	5.03	
Aust 180-day bill	5.16	

DOLLAR

NAB exchange rates:

Bahrain Dinars	0.3699
Canadian Dollars	0.9953
CFP Francs	83.2400
Czech Koruna	16.7320
Danish Kroner	5.3031
European Currency	0.7140
Fiji Dollars	1.7419
Hong Kong Dollars	7.9341
Indian Rupees	44.0800
Japanese Yen	82.26
Kenyan Shilling	84.2700
Kuwaiti Dinars	0.2672
New Zealand Dollars	1.2520
Norwegian Krone	5.4881
PNG Kina	2.2953
Pakistani Rupees	79.1300
Philippine Pesos	42.7500
Polish Zloty	2.7371
Saudi Arabian Riyals	3.7512
Singapore Dollars	1.2564
Solomon Is. Dollars	7.0878
Sri Lanka Rupees	108.93
Sth African Rand	6.9372
Swedish Krona	6.3102
Swiss Francs	0.8688
Thai Bahts	29.8040
UAE Dirhams	3.6690
UK Pounds	0.6212
US Dollars	1.0329
Western Samoa Tala	2.2212

Rates rise unlikely as house approvals and prices head south

A DOWNTURN in April building approvals means it is less likely that the next interest rate rise will be this month, economists say.

Australian residential building approvals fell 1.3 per cent to 13,377 units in April, seasonally adjusted, according to the Australian Bureau of Statistics.

For the year to April, building approvals were down 11.5 per cent.

Adding to the lacklustre data from

the housing industry yesterday, the RP Data-Rismark home value index showed the value of Australian capital city dwellings fell more than 1 per cent in the three months to April.

CommSec chief economist Craig James said the weak building approval figures, combined with falling house prices, suggested the economy was weaker than the central bank had assumed.

The minutes of the Reserve Bank

of Australia's May 3 meeting, when it kept the cash rate on hold at 4.75 per cent, say an interest rate rise is likely. The bank did not say when that might be, however.

"The simple message from the data (yesterday) is that interest rates are solidly on hold and will be on hold for a number of months," Mr James said.

"The data out today is showing a much weaker (economic) picture

than the Reserve Bank had assumed."

Mr James said the RBA might change its language on Tuesday, when it is due to announce the next interest rate decision.

Mr James also said the decline in building approvals would have been worse than the headline figure had it not been for rebuilding in Queensland after the floods.

Approvals would have been down

5.6 per cent without Queensland, he said.

JP Morgan economist Ben Jarman said he was encouraged that Queensland had posted a rise in building approvals.

"The month of April finally delivered the anticipated bounce-back but given the headline result, that fact merely underscores the softness of conditions elsewhere across the nation," Mr Jarman said.