

# Interstate migration kills 'the golden goose'



*Has Queensland lost its interstate migration magnetism?*

**C**olleen Coyne, director of Colleen Coyne Property Research, believes Queensland's development "golden goose" of migration from interstate is being strangled by increasingly unaffordable property.

The situation, Ms Coyne told a recent Urban Development Institute of Australia (UDIA) event in Brisbane, is seeing the state's once buoyant construction industry eroded by spiralling property costs compared with southern states and a retreat of Queensland's tax and cost

of living advantages.

Ms Coyne's comments highlighted two recent reports by Access Economics which found construction activity in the state had slumped in response to the worst downturn in the availability of construction finance in 20 years.

Ms Coyne said that the 'low tax' policy adopted by the Joh Bjelke Petersen Government no longer existed in Queensland.

"That government understood the value of Queensland being a low tax state, introducing measures such as

the abolition of death duties around 40 years ago," Ms Coyne said. "Now, however, we are in danger of killing the 'golden goose' of net interstate migration because we've simply become unaffordable."

She said while net overseas migration had replaced interstate migration as the driver of Queensland's high population growth rate, because of a difference in housing needs the impact on the construction industry was different.

"Overseas migration does not fully compensate for a decline in interstate migrants, because Australia attracts a significant proportion of temporary migrants, such as students and business people, whose housing needs are arguably different," Ms Coyne said.

While the lack of development finance was the current focus, affordability would "continue to be the elephant in the room" impacting on the state's construction industry over the medium term.

"Industry bodies have been doing their best to highlight this issue for at least five years, but it remains a major concern for the state's property sector," Ms Coyne said.

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