



**MASTER BUILDERS**  
A U S T R A L I A



**BUILDING & CONSTRUCTION**

# **INDUSTRY FORECASTS**

# **AUSTRALIA**

**MBA BUILDING & CONSTRUCTION FORECASTS TO 2024/25**

**CHANGING GEARS**

# **FEBRUARY 2020**



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**AUSTRALIA FEBRUARY 2020**



# AUSTRALIA <sup>2020</sup> | FEBRUARY COMMENTARY

MBA BUILDING & CONSTRUCTION FORECASTS TO 2024/25

## Changing Gears

In aggregate, building and construction activity has moved backwards over the last couple of years largely due to a reverse in new home building activity. Our updated forecasts indicate that the performance is set to be mixed over the next five years with infrastructure-related activity performing well and residential building returning to stronger levels. However, commercial building activity is set to fare less favourably and will lose considerable ground over the next few years. Between now and 2024/25, the average annual volume of construction activity is projected to be slightly lower than in recent years.

**MBA Forecasts of Total Construction Activity in Australia (Billions of Dollars) and Change on Previous Year (%)**

| 2014/15  | 2015/16  | 2016/17  | 2017/18  | 2018/19  | 2019/20  | 2020/21  | 2021/22  | 2022/23  | 2023/24  | 2024/25  |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| \$218.34 | \$207.88 | \$201.47 | \$225.59 | \$204.87 | \$202.69 | \$204.98 | \$207.20 | \$209.07 | \$211.10 | \$213.22 |
| -6.9%    | -4.8%    | -3.1%    | 12.0%    | -9.2%    | -1.1%    | 1.1%     | 1.1%     | 0.9%     | 1.0%     | 1.0%     |



## RESIDENTIAL BUILDING



Having reached a peak of 233,872 new home starts during 2015/16, new dwelling construction has moved into reverse.

Our latest forecasts anticipate that new dwelling commencements will bottom out at 159,268 during the 2020/21 financial year – 32% below the peak. However, a spirited recovery in new home building activity is expected to lift new home starts back above the 200,000 mark by 2024/25. The recent downturn in new home building has been much more pronounced on the high-density side of the market. Our forecasts envisage that the apartment/unit side of the market will lead the recovery and be the main engine of growth over the years ahead.

## COMMERCIAL BUILDING



Commercial building activity has smashed all previous records over recent years. The next stage is for the market to digest all that new capacity. While this occurs we anticipate that new building activity will cool down for a couple of years.

Our latest forecast is for commercial building to bottom out during 2022/23 around 14% lower than the peak reached in 2019/20. Education and accommodation building is expected to be hit with the biggest falls, while conditions in retail and transport building are anticipated to remain solid.

## ENGINEERING CONSTRUCTION



Infrastructure is on everyone's lips at the moment. Predictably, this is the component of construction activity set to perform strongest over the next five years with the volume of work set to peak during 2021/22. Road, railway and electricity-related projects are set to shine brightest over the coming years. Times will be tougher for resources and telecommunications as activity squeezes back to pre-NBN norms. The challenge for engineering construction will be to sustain activity once the infrastructure 'hump' starts to pass from about 2023.

# ECONOMIC BACKDROP

## May You Live in Interesting Times

Australia's economic prospects are heavily influenced by events in the rest of the world. The IMF released an updated set of economic forecasts during January 2020 which anticipate that the global economy will expand by 2.9% during 2019 before accelerating to 3.3% growth in 2020 and 3.4% in 2021. The prospects for the world economy have been pared back slightly as a result of less favourable prospects in developing countries and the spectre of geopolitical tensions including those relating to the US and Iran, along with the ongoing trade dispute between the world's two largest economies, China and the US. Economic disruption related to Coronavirus is still unfolding at the time of writing so it is currently unknown how detrimental its full effects will be, both nationally and internationally.

Latest results indicate that Australia's economy is growing at its slowest pace in about a decade. While some of the global uncertainties have played a role here, domestic factors are also weighing negatively. The latest GDP data indicates that Australia's economy grew by 1.7% over the year to the September 2019 quarter – well short of the key 3% threshold, believed to be the economy's trend rate of growth. Several key components of demand in the Australian economy moved backwards over the previous 12 months including residential building, business investment and engineering construction.

The Bushfire crisis, which was at its worst during December 2019 and January 2020, caused major disruption to economic activity in the affected areas and will also involve considerable costs related to the replacement of building, infrastructure and networks.



Other areas of the economy did continue growing – albeit in an unimpressive manner. The 1.2% gain in household consumption, for example, was more the result of simple population growth than anything to do with consumer confidence.

Government consumption spending and exports were the two fastest growing segments of the economy over the past year. The strength of export growth was largely thanks to the relative weakness of the Australian Dollar exchange rate on foreign markets – which renders our exports more competitive – as well as the resources-intensive structure of Australian exports.

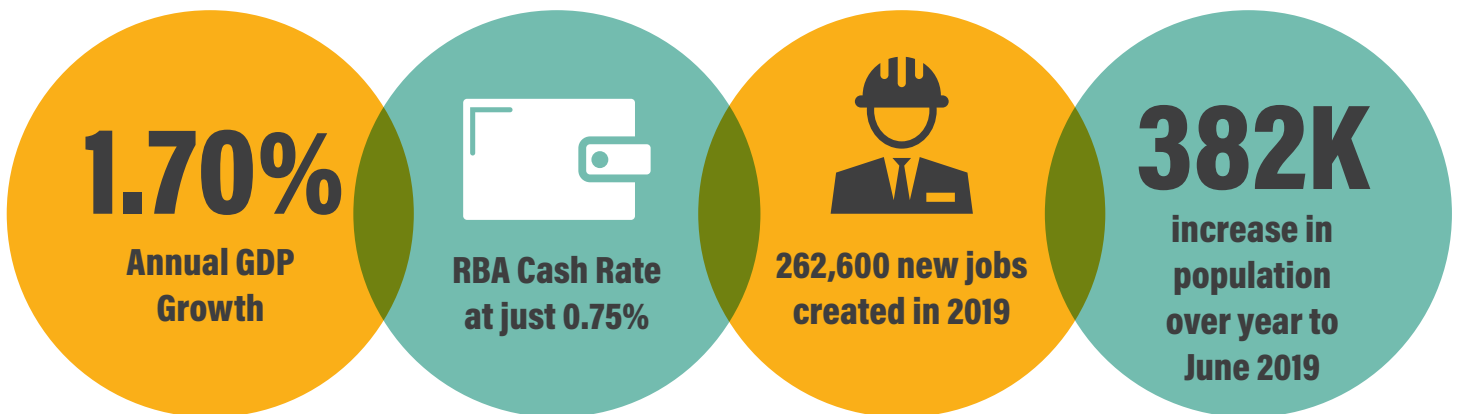
Despite the subpar state of the economy as portrayed by GDP data, the labour market in Australia appears to be holding up reasonably well. During 2019, the economy here created over 262,000 new jobs – just over half of which were full-time positions. This is equivalent to an employment growth rate of 2.1% which is a solid outcome. Despite this, higher participation and a larger population meant that the rate of unemployment edged up slightly to 5.1% in December 2019 – compared with 5.0% a year earlier.

At 238,000, net overseas migration to Australia during 2018/19 was close in magnitude to the economy's pace of job creation. There is a very strong link between the health of Australia's jobs market and the pace of population growth. This connection is another mechanism through which a stronger Australian economy translates into faster population growth. In turn, a larger population drives demand for a range of building and construction activity including homes, schools, hospitals and retail, not to mention the infrastructure underpinning it all.



As a result of the sluggish GDP results, the Reserve Bank cut its benchmark cash rate three times during 2019 bringing it to a new all-time low of just 0.75%. Mortgage and small business borrowers saw some (but not all) of these reductions passed on in terms of interest rate cuts on their loans. Our forecasts are predicated on the assumption that the cash rate is cut to 0.50% during the first half of 2020 – and does not start to increase again until sometime during the 2022/23 year.

The nature of the link between economic growth and the labour market means that the slowdown in GDP is likely to hit job creation over the next couple of years before recovering. The good news is that we expect GDP growth to start accelerating again over the coming year – a development which, over time, will rekindle growth in job creation across the economy. The program of government-led infrastructure work over the next few years is expected to be one of the staples of the growth revival.







# RESIDENTIAL BUILDING 2020 | FEBRUARY SUMMARY

Having reached a peak of 233,872 new home starts during 2015/16, new dwelling construction has moved into reverse. Our latest forecasts anticipate that new dwelling commencements will bottom out at 159,268 during the 2020/21 financial year – 32% below the peak. However, a spirited recovery in new home building activity is expected to lift new home starts back above the 200,000 mark by 2024/25. The recent downturn in new home building has been much more pronounced on the high-density side of the market. Our forecasts envisage that the apartment/unit side of the market will lead the recovery and be the main engine of growth over the years ahead.



## Master Builders Forecasts of Total New Dwelling Starts and Change on Previous Year

| 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 219,290 | 233,872 | 222,027 | 230,191 | 197,228 | 160,132 | 159,268 | 169,026 | 181,838 | 193,632 | 203,909 |
| 18.6%   | 6.6%    | -5.1%   | 3.7%    | -14.3%  | -18.8%  | -0.5%   | 6.1%    | 7.6%    | 6.5%    | 5.3%    |

# RESIDENTIAL BUILDING

## Turning the Corner

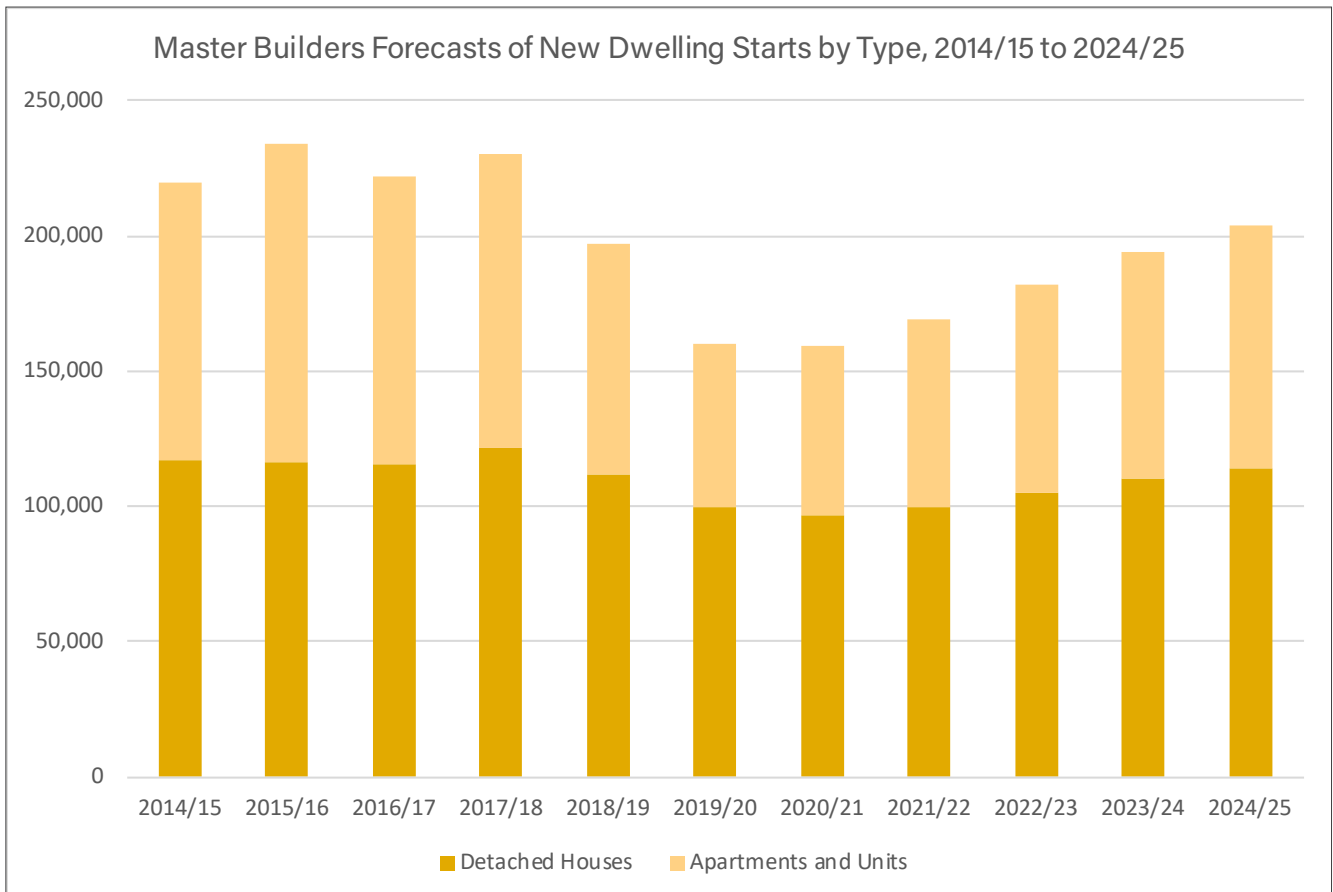
The past twelve months have been ones to forget for residential building activity with the post-banking Royal Commission credit squeeze and the adverse publicity around high rise building projects hurting activity at a time when considerable ground had already been lost.

New home building hit a record high during 2015/16 with over 233,000 new homes being started across Australia. This was the result of a confluence of favourable factors including strong population growth over previous years, interest rates reaching never-seen-before lows and an unprecedented demand from foreign investors for Australian real estate.

The latest official data from the ABS indicate that just over 181,000 new dwellings were started

over the year to September 2019, representing a decline of over 20% since the peak of the market. Just as the high-density side of the market drove the previous upturn in new home building across Australia, it is the apartment/unit side of the market which has absorbed a disproportionate share of the pain. Over the year to September 2019, the number of apartment/unit commencements fell by 21.9% compared with a 16.8% drop in detached house starts over the same period.

The best gauge of short-term prospects for new home building activity is through leading indicators like building approvals and lending data published on a monthly basis by the ABS. Latest approvals data indicates that we are approaching an inflection point when it comes to new home building activity.

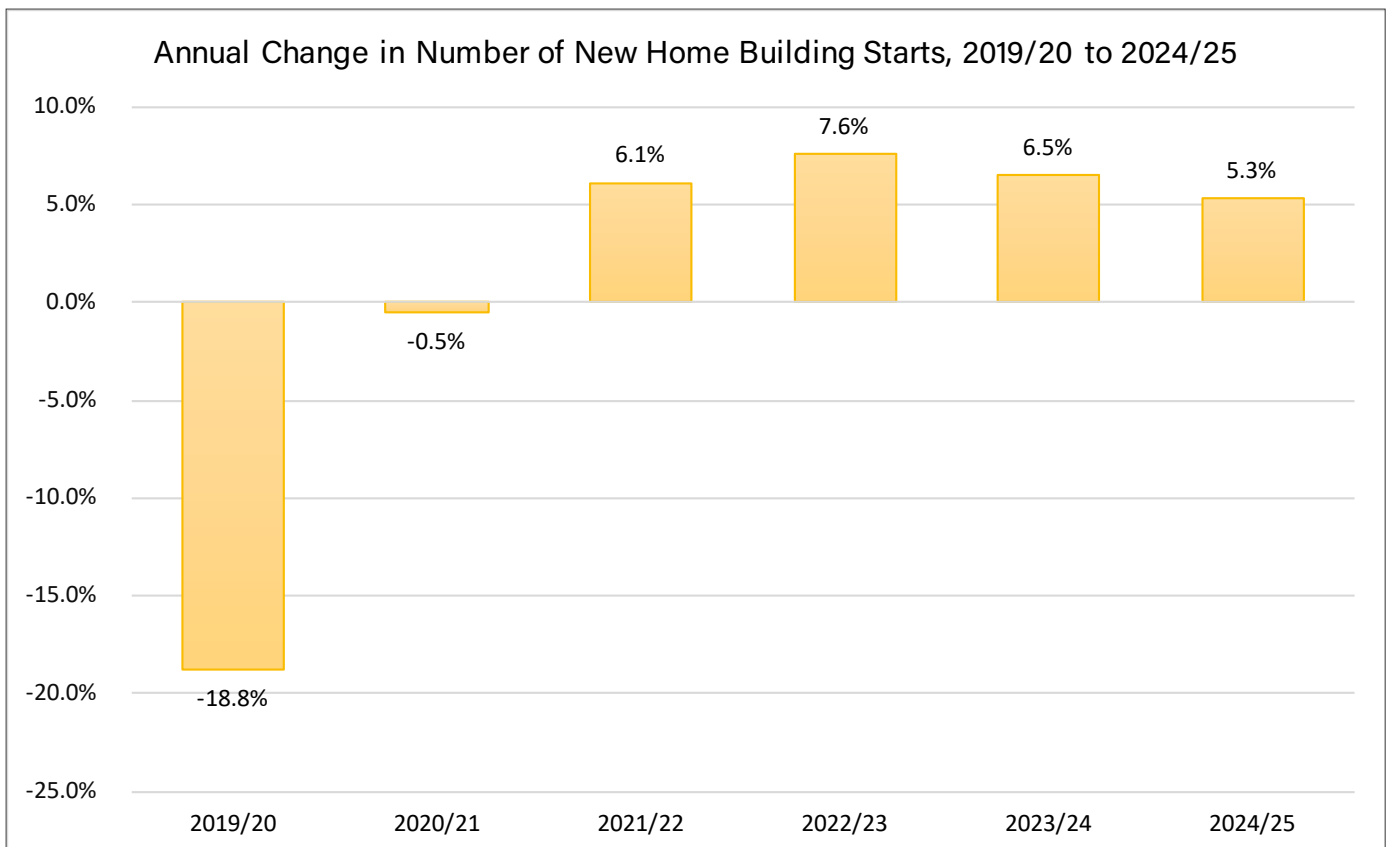


Since the middle of 2019, the flow of new home building approvals has gradually started to grow again. During the final quarter of 2019, the total number of new home building approvals rose by 6.1% compared with the previous quarter. Interestingly, high-density drove the growth having expanded by 16.6% during the quarter whereas detached house approvals eased by 0.2% over the same period.

New home building is being supported by a number of favourable developments. House price growth has rebounded strongly in key markets since the middle of 2019 following sizeable declines over the preceding few years. The resumption of price growth has spurred buyers back into the market and also provided builders with more confidence to deliver new product. The

three interest rate cuts from the Reserve Bank during 2019 have also supported activity in the market. The gains in housing investor lending over recent months are the clearest signs yet that confidence is returning to Australia’s housing market. Once lending figures for the opening months of 2020 start to become available, we are likely to see a decent surge in First Home Buyer participation – a result of the new First Home Loan Deposit Scheme, which kicked off at the start of January 2020.

While the recent direction of new home building approvals is positive, it is important to emphasise that it will take time for the stronger figures to translate into real growth on the ground. This lag is especially lengthy when it comes to larger apartment projects which take much more time





to initiate than smaller builds, such as detached houses. Furthermore, the flow of new home building approvals is still quite a bit lower (-8.3%) compared with where we were a year earlier.

Ultimately, the future course of new home building in Australia will be determined by fundamental factors like population growth, the pace of job creation and interest rate developments. By the standards of most developed economies, Australia's rate of population growth is likely to remain strong over the years ahead and is set to break the 30 million barrier around the year 2030 – clearly good news for new home building demand. Even though economic growth has been subpar over recent times, we have still managed to generate some 262,000 new jobs over the past year – a rate of employment growth that will only improve once the economy speeds up again.

We forecast that new home building commencements will decline to 160,132 during the 2019/20 year, a reduction of 18.8% on the year before. It is in 2020/21 that we expect new dwelling

starts to bottom out at 159,300 following a further marginal decline of 0.5%. Growth is expected to resume in 2021/22 with a decent 6.1% increase bringing new dwelling starts back towards 170,000. It is forecast that further increases of 7.6% in 2022/23 and 6.5% in 2023/24 will consolidate Australia's new home building recovery. The 2024/25 year marks the end of our forecast horizon and we envisage that new dwelling starts will clock in just short of 204,000 – the strongest new home building performance in seven years.

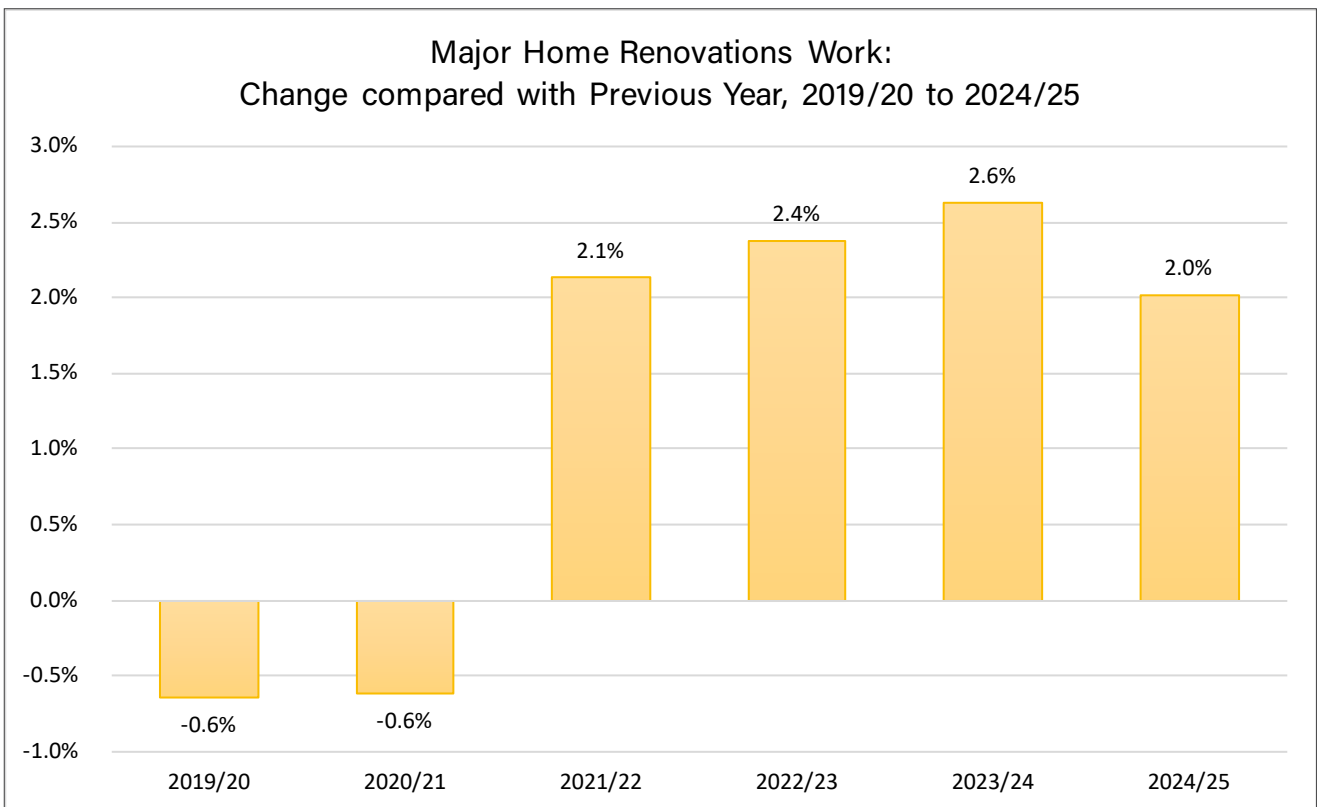
There is likely to be a divergence between the performance of detached house building and the higher density end of the market over the years to 2024/25. As reflected in the latest building approvals data, the recovery in apartment/unit building is set to kick in earlier and the number of new starts on this side of the market is projected to increase by 2.5% during 2020/21 – a full year before the expansion in detached house commencements is anticipated to resume.

The magnitude of the recovery in high density is also expected to eclipse that of detached houses. By 2024/25, the number of apartment/unit starts is forecast to be 47% up on its 2019/20 trough whereas detached house building is predicted to see much more measured growth of 18% on its low point expected in 2020/21. The effect of this will be to bring the high-density share of new home building to 44% by 2024/25 compared with 38% in 2019/20. However, this is still short of 2015/16 when the detached house share of new home building fell below the crucial 50% share for the first and only time in Australian history.

The role of home renovation activity is often underappreciated in terms of its contribution to residential building activity. During the 2019/20 year,

it is expected that home renovations will account for about 14% of all residential building activity. The dynamics of home renovation demand differ considerably from the new home building market. Over the forecast horizon to 2024/25, we anticipate that home renovations work will grow steadily. This outcome will be due to the resumption of house price growth already underway, something which tends to top up the home equity tank and expand the scope for home renovation loans.

The aging of the housing stock is also likely to favour home renovation demand. A record number of new detached houses were built during the second half of the 1980s and many of these will be at the receiving end of major mid-life remediation work. This is clearly good news for home renovation activity.



# COMMERCIAL BUILDING 2020 | FEBRUARY SUMMARY

Commercial building activity has smashed all previous records over recent years. The next stage is for the market to digest all that new capacity and while that occurs we anticipate that new building activity will cool down for a couple of years. Our latest forecast is for commercial building to bottom out during 2022/23 around 14% lower than the peak reached in 2019/20. Education and accommodation building is expected to be hit with the biggest falls, while conditions in retail and transport building are anticipated to remain quite solid.



**Master Builders Forecasts of Commercial Building Activity (Billions of Dollars) and Change on Previous Year**

| 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| \$38.15 | \$38.36 | \$38.07 | \$42.70 | \$43.33 | \$47.30 | \$45.83 | \$42.97 | \$40.63 | \$41.04 | \$43.20 |
| -0.1%   | 0.6%    | -0.7%   | 12.2%   | 1.5%    | 9.2%    | -3.1%   | -6.3%   | -5.4%   | 1.0%    | 5.3%    |

# COMMERCIAL BUILDING

## Back to Reality

The latest data indicates that the volume of commercial building activity reached a record \$43.3 billion during the 2018/19 year. An even higher record will be set in 2019/20 - with an anticipated expansion of 9.2% bringing the volume of commercial building to \$47.3 billion for the year.

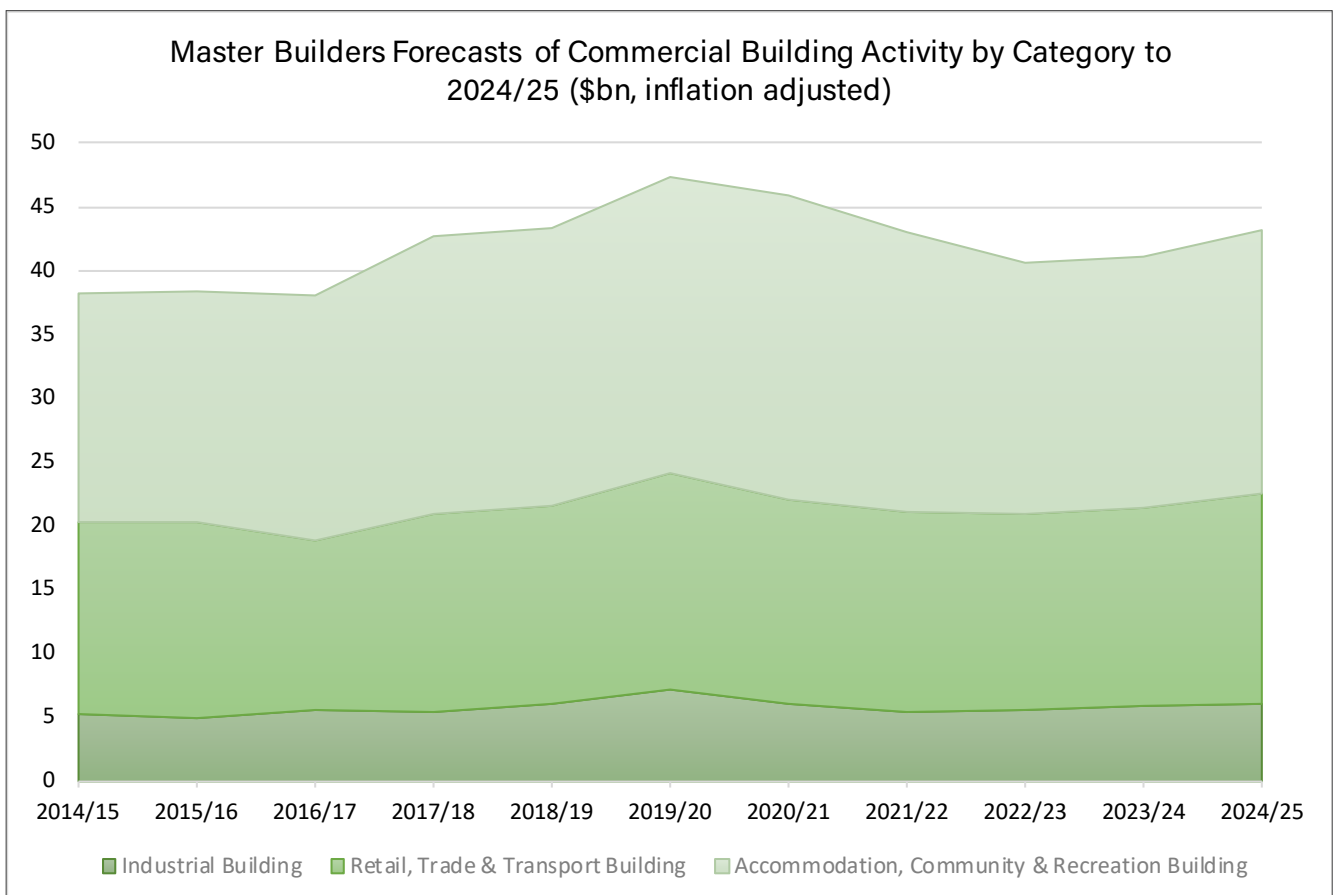
Commercial building activity troughed out during 2016/17 at \$38.1 billion. Our latest projections indicate that activity this year will be 24.2% higher than the recent low point – a substantial gain by any stretch.

Like residential, the amount of commercial building activity in the economy depends on high-level factors like population growth, job creation and interest rates. The age of the existing commercial building stock also has an impact on the amount of

replacement and renovation work taking place. As such, the amount of commercial building work done in previous decades determines the amount of remediation activity that takes place today.

Data on building approvals indicates that we have probably reached a turning point in commercial building activity. During the final quarter of 2019, the value of commercial building work approved totalled \$11.8 billion, 17.0% lower than the previous quarter. Approval levels provide a good indication of the likely pattern of activity on the ground over the coming months, meaning that it is almost certain to be lower.

In general, commercial building activity is highly cyclical. When it's good it's great and when it's weak, it's painfully so. The large amount

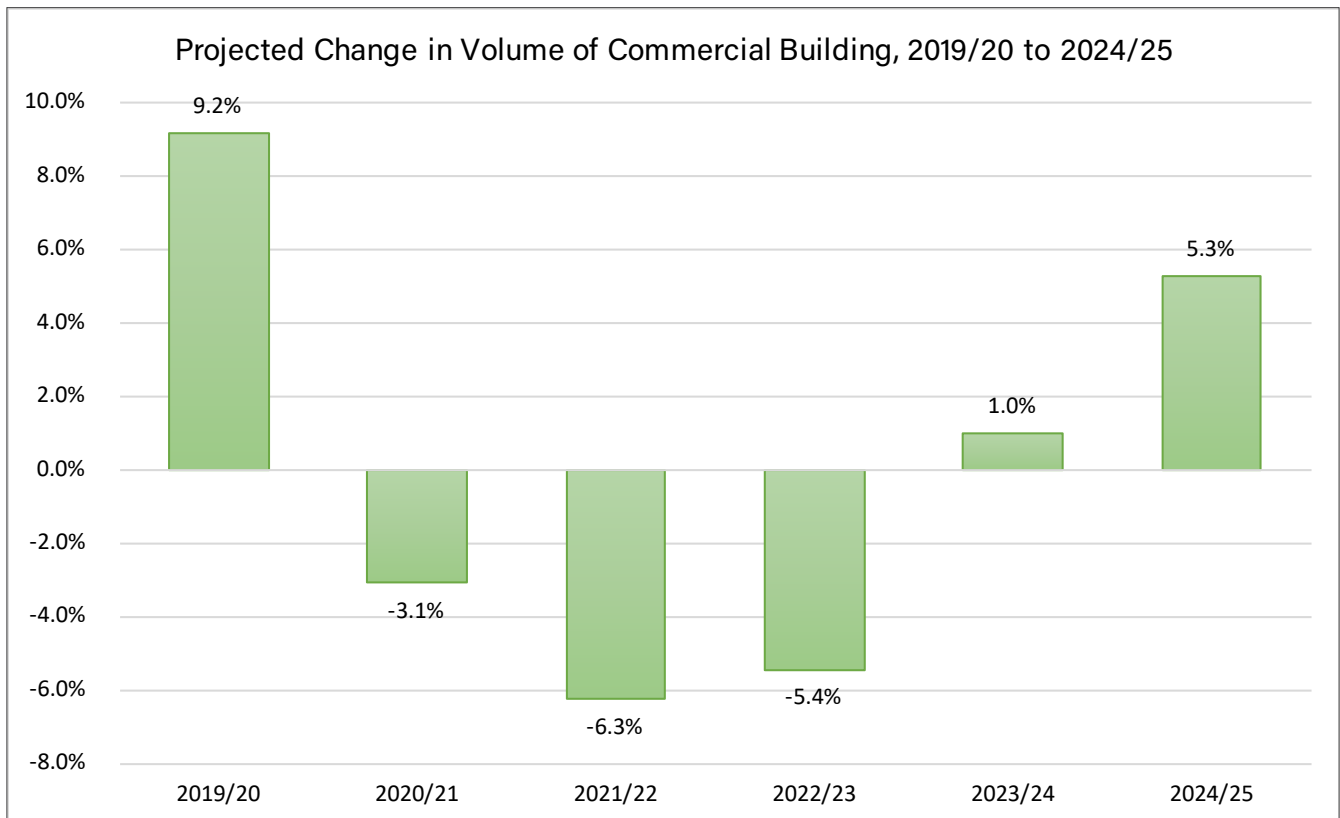


of building over the past few years is still being digested by the market and as this happens, commercial rents will weaken and vacancy rates could creep up. This sends a signal to those contemplating new projects that they might be best holding off. The replication of this behaviour on a large scale then drives commercial building activity lower.

In pumping commercial building activity to its record high, several segments have performed particularly well. These include office, warehouse and education – all categories of building which are essentially driven by population growth and employment creation. Retail/wholesale and health building work struggled the most in recent years.

As is frequently the pattern in commercial building, the sectors most exposed to decline over the coming years are those which have fared best in recent times. By the end of the forecast horizon in 2024/25, a number of sectors are likely to lose considerable ground compared to their position during the current financial year. In the case of accommodation building, we anticipate that the volume of work done will shrink by 38.9% by 2024/25 compared with 2019/20 levels. Other parts of commercial building that we expect to see move backwards over our forecast horizon include factories (-31.3%) and offices (-20.1%).

Even though commercial building is expected to move lower overall, several parts of the market will buck this trend and return decent growth over the





next five years. The most obvious beneficiary of the infrastructure boom is likely to be transport building work where we project the volume of activity to expand by 20.0% between 2019/20 and 2024/25. A similar magnitude of expansion will lift retail/wholesale trade building by 19.5% over the same horizon while building work in the health sector is predicted to grow by a total of 12.4% over the same period.

In terms of the immediate pipeline of commercial building work, there are several large projects which are either committed or under construction – with a heavy Sydney focus. These include

Sydney’s \$6 billion Barangaroo Development, Western Sydney Airport (\$5.3 billion) and the Parramatta Square Master Plan (\$2.7 billion). Outside of NSW, there is Victoria’s new Footscray Hospital (\$1.5 billion) and the ICON Ipswich project in Queensland (\$1 billion).

Further out, a number of other projects may come into existence. These are presently classified as either ‘possible’ or ‘under consideration’ and include Koo Wee Rup Airport in Victoria (\$7 billion), Queensland’s Airlie Beach resort development (\$5 billion) and the \$2.1 billion Brisbane Live proposal.

### Ten Largest Commercial Building Projects either Committed or Under Construction

| Project                                                                                                                                               | Company                                                                        | State           | Cost (\$ billion) | Start Date | Likely End Date |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------|-------------------|------------|-----------------|
| 1 Barangaroo Development                                                                                                                              | Barangaroo Delivery Authority / Lend Lease / Grocon / Scentre Group / Aqualand | New South Wales | \$6.00            | 2011       | 2024            |
| 2 Western Sydney Airport - Badgerys Creek                                                                                                             | Western Sydney Airport Alliance / Australian Federal Government                | New South Wales | \$5.30            | 2018       | 2026            |
| 3 Parramatta Square Master Plan                                                                                                                       | Parramatta City Council                                                        | New South Wales | \$2.70            | 2015       | 2022            |
| 4 Crown Sydney Hotel Resort, Barangaroo                                                                                                               | Crown Ltd                                                                      | New South Wales | \$2.20            | 2017       | Early 2021      |
| 5 Wynyard Place - includes 67,000sqm of A-grade office space, 3,500sqm of retail, and upgrades to Wynyard Station, Shell House, and 285 George Street | Brookfield Property Partners / AMP Capital / UniSuper                          | New South Wales | \$1.80            | 2017       | Q4 2020         |
| 6 The New Footscray Hospital                                                                                                                          | Vic Dept of Health and Human Services                                          | Victoria        | \$1.50            | 2020       | Q2 2025         |
| 7 Melbourne Quarter mixed-use development at Batmans Hill precinct, Docklands                                                                         | Lend Lease                                                                     | Victoria        | \$1.50            | 2017       | 2022            |
| 8 Merrifield development                                                                                                                              | MAB Corporation Pty Ltd / Gibson Property                                      | Victoria        | \$1.20            | 2015       | 2019            |
| 9 Castle Towers Shopping Centre expansion                                                                                                             | Queensland Investment Corporation                                              | New South Wales | \$1.08            | 2019       | End 2022        |
| 10 ICON Ipswich - Ipswich CBD renewal                                                                                                                 | Ipswich City Properties / Leighton Properties                                  | Queensland      | \$1.00            | 2011       | 2020            |

Source: Deloitte Access Economics [Investment Monitor]



### Ten Largest Commercial Building Projects either Possible or Under Consideration

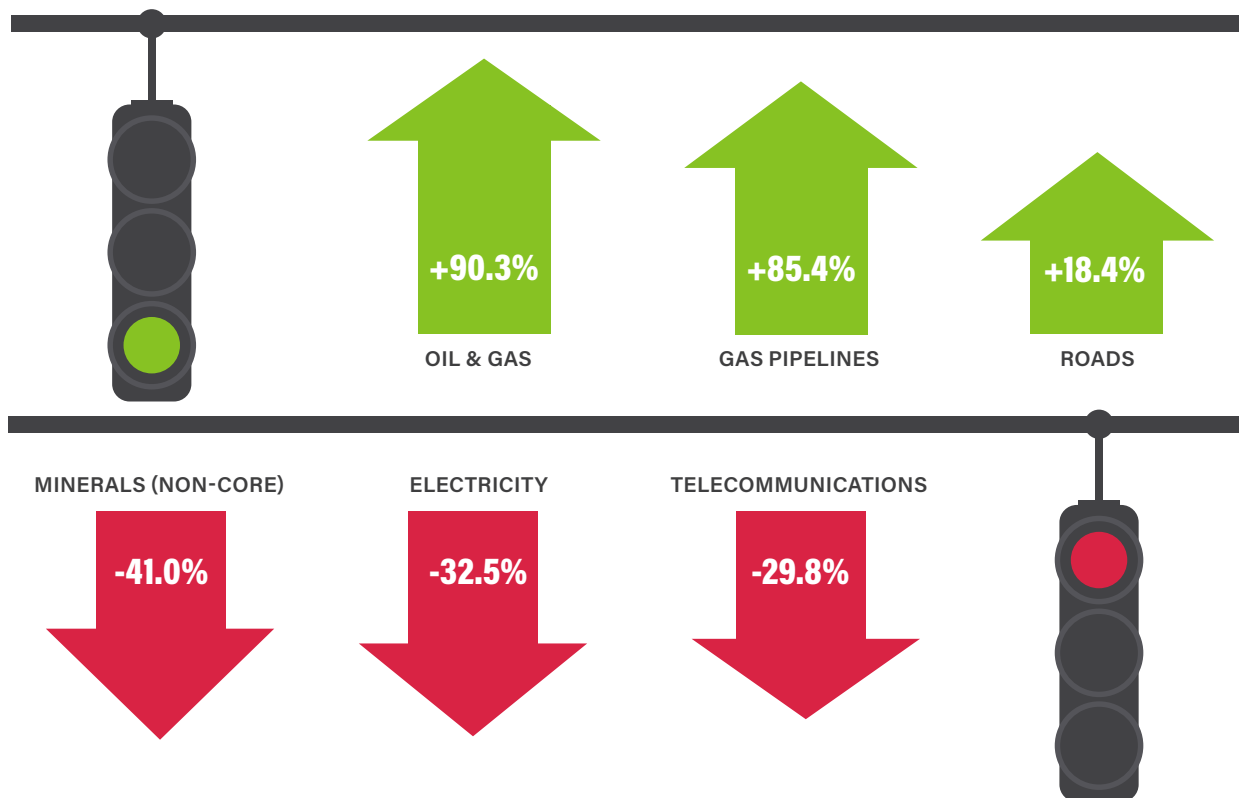
| Project                                                                    | Company                                                | State           | Cost (\$ billion) | Start Date                  | Likely End Date     |
|----------------------------------------------------------------------------|--------------------------------------------------------|-----------------|-------------------|-----------------------------|---------------------|
| 1 Koo Wee Rup Airport                                                      | Paragon Premier Investment Fund                        | Victoria        | \$7.00            | Proposed                    | Not Currently Known |
| 2 Airlie beach resort development                                          | China-Australia Entrepreneurs Association Incorporated | Queensland      | \$5.00            | Plans announced             | Not Currently Known |
| 3 Waterfront Brisbane                                                      | Dexus Property Group                                   | Queensland      | \$2.10            | 2022                        | 2032                |
| 4 Brisbane Live - new entertainment precinct                               | AEG Ogden                                              | Queensland      | \$2.10            | Q4 2020                     | Not Currently Known |
| 5 Aquis Great Barrier Reef Project                                         | Aquis Resort at the Great Barrier Reef Pty Ltd         | Queensland      | \$2.00            | EIS Approved                | 2020                |
| 6 New Women's and Children's Hospital (WCH) at the Royal Adelaide Hospital | SA Dept of Health                                      | South Australia | \$1.80            | Planning underway           | Q4 2025             |
| 7 HumeX business park and homemaker centre                                 | JTX International                                      | Victoria        | \$1.70            | In planning                 | Not Currently Known |
| 8 Mixed-use project at the Jam Factory site on Chapel Street, South Yarra  | Newmark Capital                                        | Victoria        | \$1.25            | Pending investment decision | 2023                |
| 9 SYD2 Data Centre                                                         | AirTrunk                                               | New South Wales | \$1.00            | Early 2020                  | Q3 2020             |
| 10 Office Tower Redevelopment at 133 Castlereagh Street                    | Stockland                                              | New South Wales | \$1.00            | Plans Announced             | Not Currently Known |

Source: Deloitte Access Economics [Investment Monitor]

# ENGINEERING AND CIVIL CONSTRUCTION 2020 | FEBRUARY SUMMARY

Infrastructure is on everyone's lips at the moment. Predictably, this is the component of construction activity set to perform strongest over the next five years with the volume of work set to peak during 2021/22. Road, railway and electricity-related projects are set to shine brightest over the coming years although times will be tougher for resources and telecommunications as activity squeezes back to pre-NBN norms. The challenge for engineering construction will be to sustain activity once the infrastructure hump starts to pass from about 2023 onwards.

MBA forecast Change in Activity: 2019/20 v 2024/25



MBA Forecasts of Engineering & Civil Construction (Billions of Dollars)

| 2014/15  | 2015/16 | 2016/17 | 2017/18  | 2018/19 | 2019/20 | 2020/21  | 2021/22  | 2022/23  | 2023/24  | 2024/25 |
|----------|---------|---------|----------|---------|---------|----------|----------|----------|----------|---------|
| \$114.70 | \$96.26 | \$87.72 | \$106.25 | \$85.29 | \$91.96 | \$100.11 | \$103.37 | \$103.08 | \$100.07 | \$95.69 |
| -16.5%   | -16.1%  | -8.9%   | 21.1%    | -19.7%  | 7.8%    | 8.9%     | 3.3%     | -0.3%    | -2.9%    | -4.4%   |

# ENGINEERING & CIVIL CONSTRUCTION

## Getting the Green Light

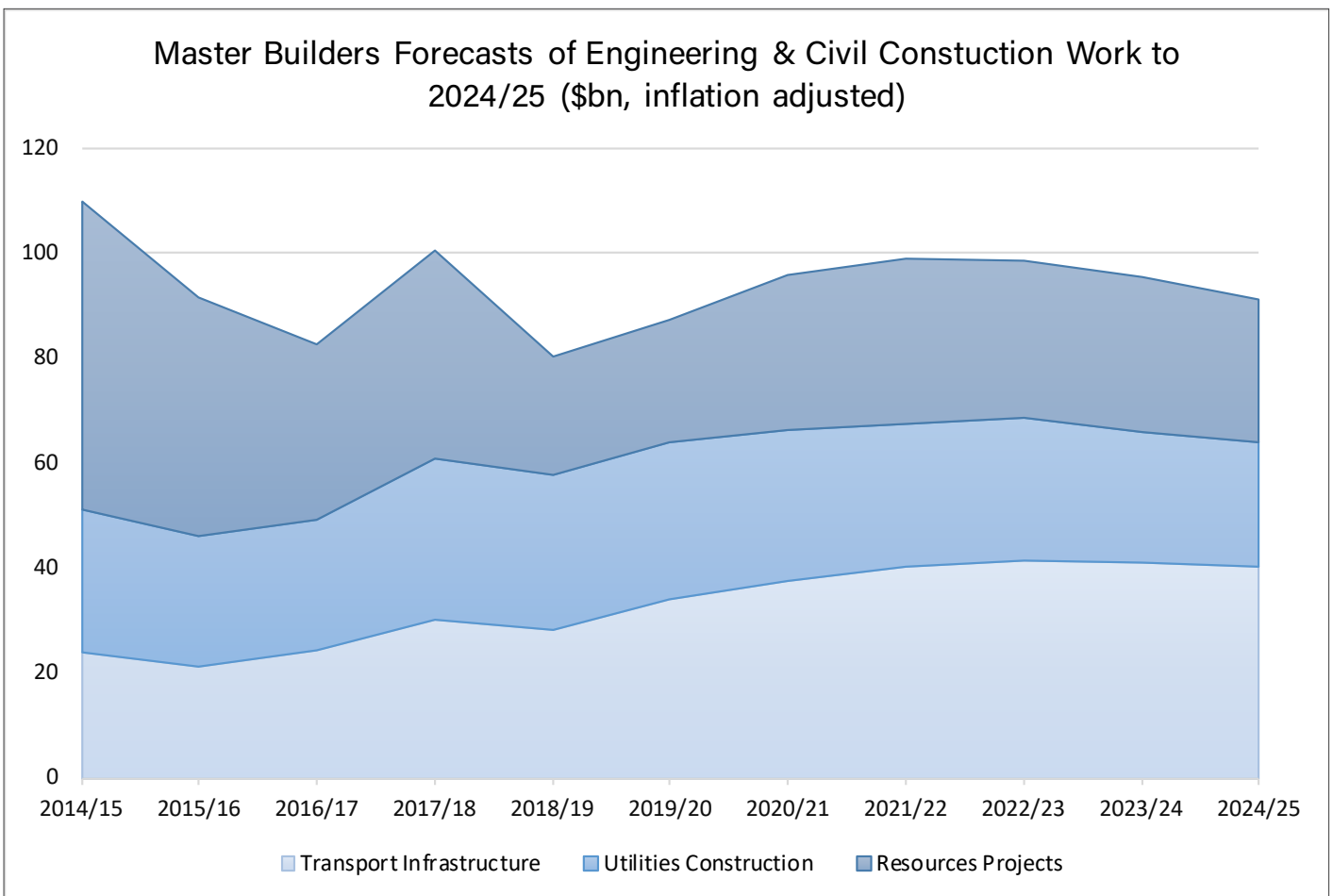
Engineering construction will be the big draw card for the construction industry over the next few years with the substantial portfolio of government-backed projects kicking into action.

The divergence between the brisk pace of new infrastructure announcements and the sluggish reality on the ground is a source of frustration for those in the industry and highlights how the rollout of new infrastructure projects can very often be a battle against regulation and planning system bottlenecks.

During the 2018/19 financial year, the volume of engineering construction work done was equivalent

to \$85.3 billion, a decline of some 19.7% on the previous year. This was the weakest result since 2007/08, a year which was scarred by the Global Financial Crisis. Perceptions that the current engineering construction workload is light are in tune with reality.

The decline in engineering construction activity over recent years is largely down to the big drops in resources-related activity following the unprecedented boom in mining project investment and related support infrastructure in the early years of the 2010s.

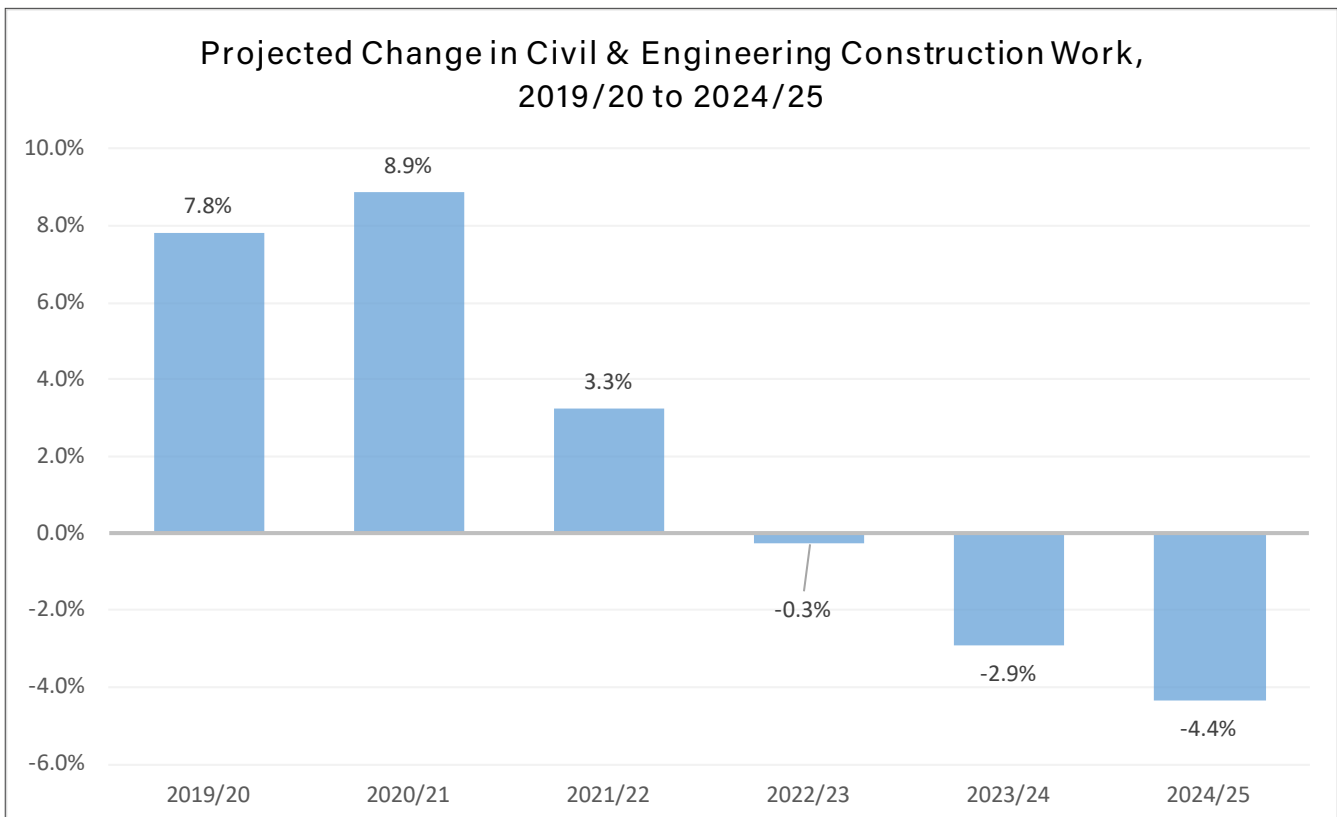


The short-term picture of engineering construction activity will be shaped by the large projects which are currently under construction or have been committed. On the transport side, the most significant include Sydney's WestConnex (\$16.8 billion), Sydney Metro Stage 2 (\$12 billion) and Melbourne Metro Rail Project (\$11 billion). The Cross River Rail (\$6.89 billion) in Brisbane and the METRONET in Perth (\$5.2 billion) also feature.

There are several large engineering projects currently under consideration which may support activity over the medium term. The most substantial of these include the \$30 billion Browse Floating Liquefied Natural Gas (FLNG) Project in

WA, Victoria's North East Link (\$15.8 billion) and the Scarborough FNLG project in WA (\$15 billion).

Our forecasts envisage engineering construction will expand by 7.8% during 2019/20 with growth accelerating to 8.9% during 2020/21. We project that 2021/22 is likely to mark the high point for engineering construction activity in the current cycle, with activity projected to be 21.2% higher than the trough encountered during 2018/19. Predictably, transport related activity is expected to see the largest gains over the next five years. Resources is also likely to grow, while construction related to utilities is likely move lower.





### Ten Largest Engineering Construction Projects either Committed or Under Construction

| Project                                                               | Company                               | State             | Cost (\$ billion) | Start Date | Likely End Date |
|-----------------------------------------------------------------------|---------------------------------------|-------------------|-------------------|------------|-----------------|
| 1 National Broadband Network                                          | NBN Co                                | Unallocated       | \$51.00           | 2011       | 2020            |
| 2 WestConnex project                                                  | Transport for NSW                     | New South Wales   | \$16.80           | Q2 2015    | 2023            |
| 3 Sydney Metro City and Southwest Project - (Stage 2 of Sydney Metro) | NSW State Rail Authority              | New South Wales   | \$12.00           | 2018       | 2024            |
| 4 Melbourne Metro Rail Project                                        | Victorian Rail Track                  | Victoria          | \$11.00           | Early 2018 | End 2025        |
| 5 Inland Rail - Melbourne to Brisbane rail link                       | Australian Rail Track Corporation Ltd | Unallocated       | \$10.00           | 2018       | 2025            |
| 6 Cross River Rail                                                    | Qld Dept of Transport and Main Roads  | Queensland        | \$6.89            | 2017       | 2024            |
| 7 West Gate Tunnel Project                                            | Transurban                            | Victoria          | \$6.70            | 2018       | Q4 2022         |
| 8 Removal of an additional 25 level crossings                         | Vic Dept of Transport                 | Victoria          | \$6.55            | 2019       | 2025            |
| 9 METRONET Project in Perth                                           | WA Dept of Transport                  | Western Australia | \$5.20            | 2016       | 2024            |
| 10 Snowy Mountains Hydro Scheme 2.0                                   | Australian Renewable Energy Agency    | New South Wales   | \$5.10            | 2020       | 2024            |

Source: Deloitte Access Economics [Investment Monitor]



### Ten Largest Engineering Construction Projects either Possible or Under Consideration

| Project                                   | Company                                                                 | State              | Cost (\$ billion) | Start Date                             | Likely End Date     |
|-------------------------------------------|-------------------------------------------------------------------------|--------------------|-------------------|----------------------------------------|---------------------|
| 1 Browse FLNG Project                     | Woodside / BP / ChevronTexaco / Shell / MIMI / PetroChina               | Western Australia  | \$30.00           | Awaiting FID                           | 2026                |
| 2 North East Link                         | VicRoads                                                                | Victoria           | \$15.80           | 2020                                   | Q2 2027             |
| 3 Scarborough FLNG project                | BHP Petroleum / ExxonMobil / Woodside Energy                            | Western Australia  | \$15.00           | FID expected by 2020                   | 2033                |
| 4 Western Harbour Tunnel and Beaches Link | Transport for NSW                                                       | New South Wales    | \$14.00           | 2022                                   | 2025                |
| 5 Greater Sunrise gas development         | Woodside/Conoco Phillips/ Shell/Osaka Gas                               | Northern Territory | \$13.00           | na                                     | Not Currently Known |
| 6 Alpha Coal Project                      | Hancock Prospecting/GVK                                                 | Queensland         | \$10.80           | In planning                            | 2022                |
| 7 Sydney Metro West - Rail tunnel         | NSW State Rail Authority                                                | New South Wales    | \$10.40           | 2020                                   | 2028                |
| 8 Gorgon LNG project                      | Gorgon joint venture                                                    | Western Australia  | \$10.00           | Waiting on final decision from Chevron | Not Currently Known |
| 9 Melbourne Tullamarine Airport Rail link | Commonwealth Government Dept of Infrastructure and Regional Development | Victoria           | \$10.00           | 2022                                   | Not Currently Known |
| 10 West Pilbara iron ore project          | Aurizon / Baosteel                                                      | Western Australia  | \$7.40            | Pending DFS decision                   | Not Currently Known |

Source: Deloitte Access Economics [Investment Monitor]

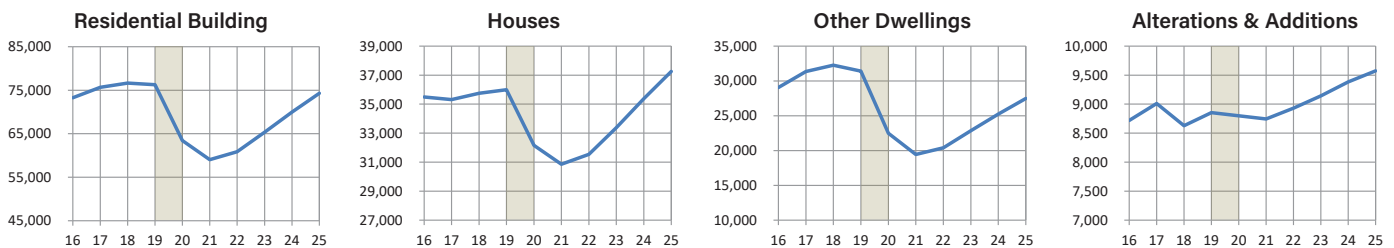
# AUSTRALIA 2020 | GRAPHS & TABLES

## RESIDENTIAL BUILDING

### RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2016/17 prices - Year Ended June

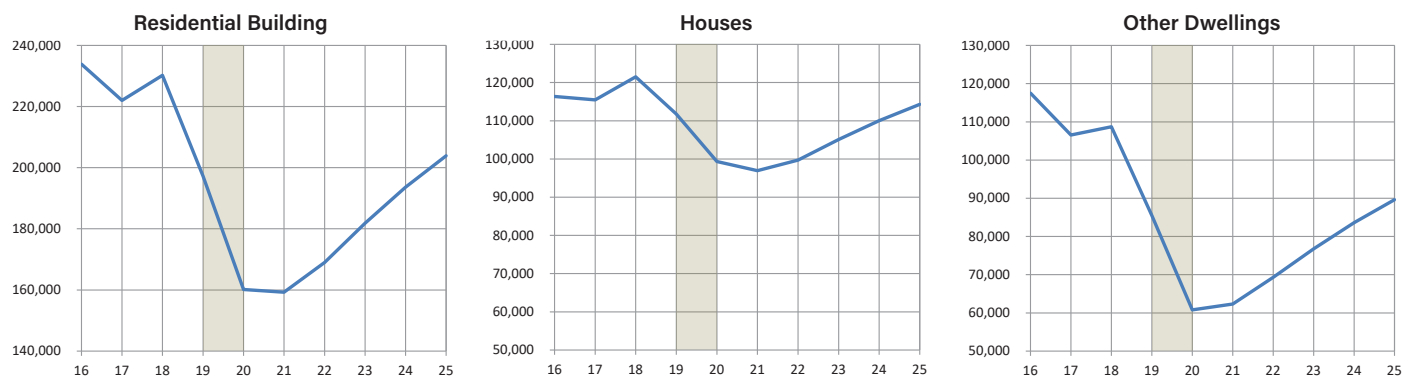
|                         | %ch | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|-------------------------|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Residential Building    |     | 55,582  | 57,447  | 53,683  | 55,513  | 59,000  | 65,488  | 73,259  | 75,673  | 76,640  | 76,251  | 63,439  | 59,039  | 60,859  | 65,358  | 69,993  | 74,320  |
|                         |     | 3.8%    | 3.4%    | -6.6%   | 3.4%    | 6.3%    | 11.0%   | 11.9%   | 3.3%    | 1.3%    | -0.5%   | -16.8%  | -6.9%   | 3.1%    | 7.4%    | 7.1%    | 6.2%    |
| Houses                  |     | 34,195  | 33,281  | 30,110  | 30,594  | 31,377  | 34,379  | 35,489  | 35,313  | 35,752  | 35,999  | 32,155  | 30,857  | 31,542  | 33,372  | 35,380  | 37,255  |
|                         |     | 6.1%    | -2.7%   | -9.5%   | 1.6%    | 2.6%    | 9.6%    | 3.2%    | -0.5%   | 1.2%    | 0.7%    | -10.7%  | -4.0%   | 2.2%    | 5.8%    | 6.0%    | 5.3%    |
| Other Dwellings         |     | 12,704  | 14,936  | 14,666  | 16,684  | 19,348  | 22,641  | 29,051  | 31,349  | 32,260  | 31,398  | 22,486  | 19,437  | 20,386  | 22,843  | 25,229  | 27,492  |
|                         |     | 0.6%    | 17.6%   | -1.8%   | 13.8%   | 16.0%   | 17.0%   | 28.3%   | 7.9%    | 2.9%    | -2.7%   | -28.4%  | -13.6%  | 4.9%    | 12.1%   | 10.4%   | 9.0%    |
| Alterations & Additions |     | 8,683   | 9,231   | 8,907   | 8,235   | 8,275   | 8,468   | 8,719   | 9,011   | 8,628   | 8,855   | 8,798   | 8,744   | 8,931   | 9,143   | 9,384   | 9,574   |
|                         |     | -0.4%   | 6.3%    | -3.5%   | -7.5%   | 0.5%    | 2.3%    | 3.0%    | 3.4%    | -4.2%   | 2.6%    | -0.6%   | -0.6%   | 2.1%    | 2.4%    | 2.6%    | 2.0%    |



### NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June

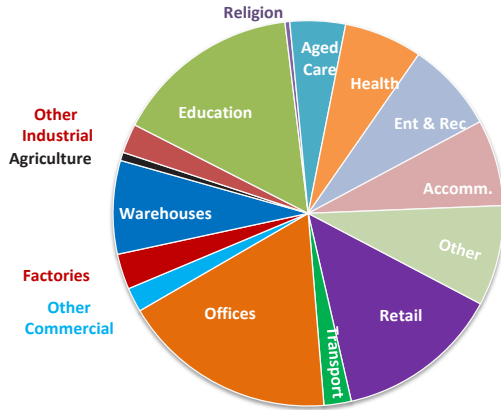
|                      | %ch | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|----------------------|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Residential Building |     | 170,275 | 162,499 | 145,351 | 166,025 | 184,911 | 219,290 | 233,872 | 222,027 | 230,191 | 197,228 | 160,132 | 159,268 | 169,026 | 181,838 | 193,632 | 203,909 |
|                      |     | 28.3%   | -4.6%   | -10.6%  | 14.2%   | 11.4%   | 18.6%   | 6.6%    | -5.1%   | 3.7%    | -14.3%  | -18.8%  | -0.5%   | 6.1%    | 7.6%    | 6.5%    | 5.3%    |
| Houses               |     | 115,586 | 100,546 | 89,837  | 95,632  | 107,617 | 117,126 | 116,356 | 115,484 | 121,495 | 111,754 | 99,343  | 96,943  | 99,729  | 105,089 | 110,029 | 114,300 |
|                      |     | 24.1%   | -13.0%  | -10.7%  | 6.5%    | 12.5%   | 8.8%    | -0.7%   | -0.7%   | 5.2%    | -8.0%   | -11.1%  | -2.4%   | 2.9%    | 5.4%    | 4.7%    | 3.9%    |
| Other Dwellings      |     | 54,689  | 61,953  | 55,514  | 70,393  | 77,294  | 102,164 | 117,516 | 106,543 | 108,696 | 85,474  | 60,789  | 62,324  | 69,298  | 76,749  | 83,603  | 89,610  |
|                      |     | 38.0%   | 13.3%   | -10.4%  | 26.8%   | 9.8%    | 32.2%   | 15.0%   | -9.3%   | 2.0%    | -21.4%  | -28.9%  | 2.5%    | 11.2%   | 10.8%   | 8.9%    | 7.2%    |



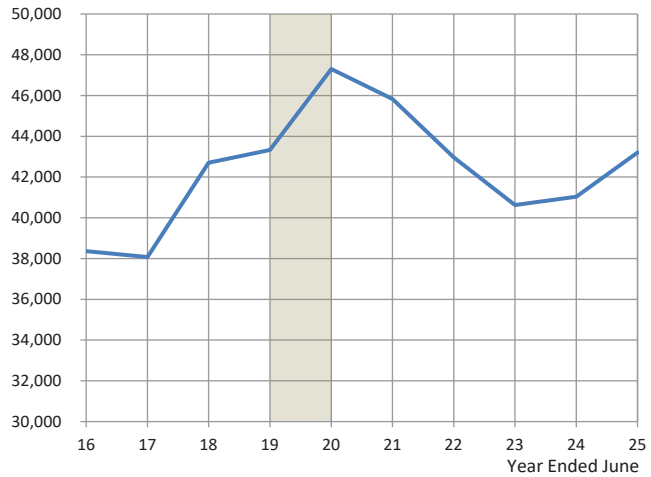


# NON-RESIDENTIAL BUILDING

Australia Non-Residential Building Work Done 2018/19



Non-Residential Building (\$M)

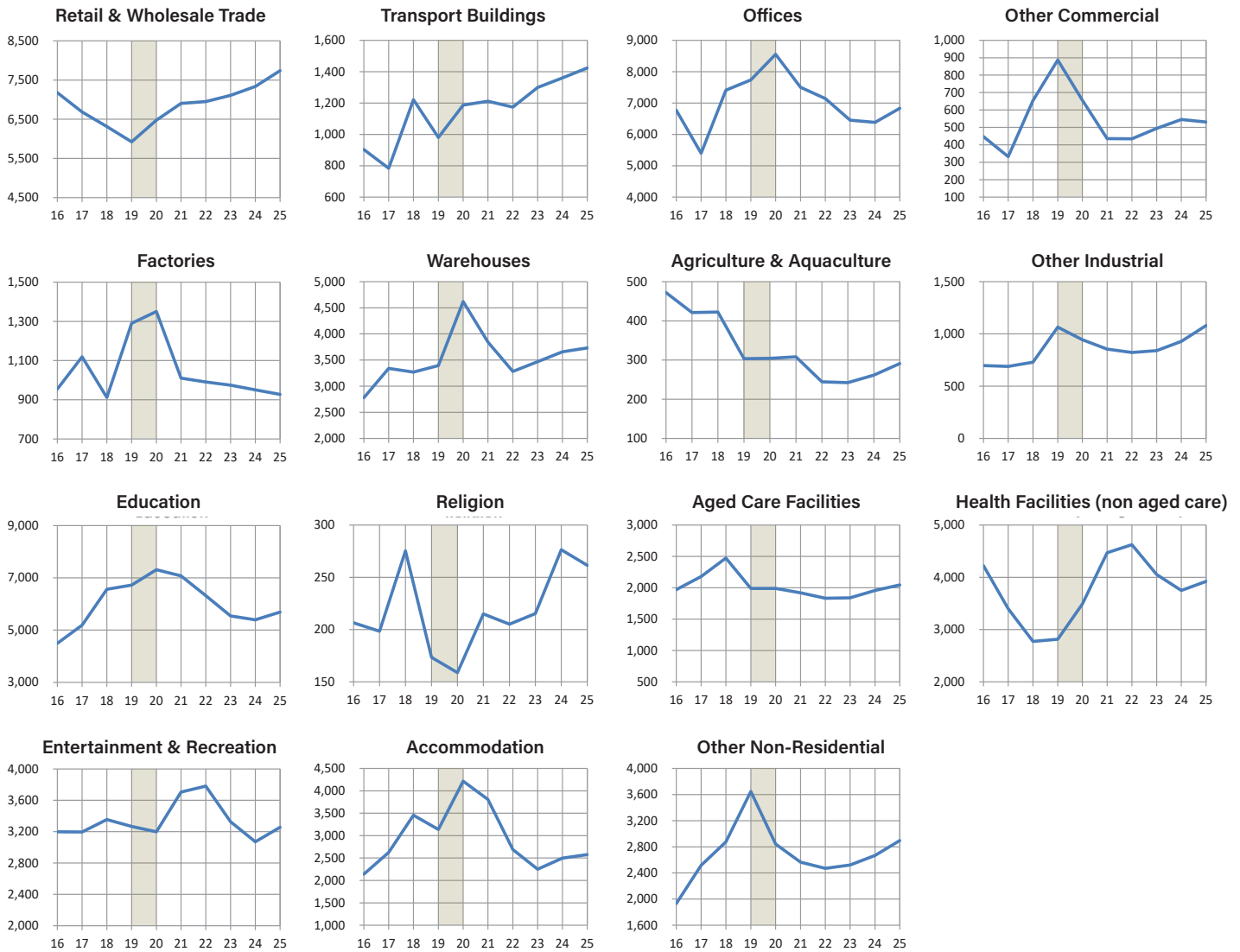


## NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2016/17 prices - Year Ended June

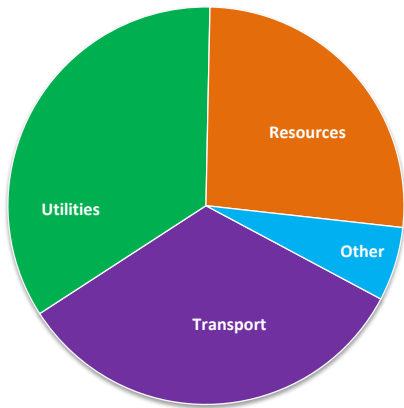
|                                   | %ch | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|-----------------------------------|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Non-Residential Building          |     | 39,450  | 39,613  | 36,921  | 36,284  | 38,193  | 38,147  | 38,362  | 38,075  | 42,704  | 43,329  | 47,300  | 45,832  | 42,967  | 40,627  | 41,037  | 43,202  |
|                                   |     | 8.9%    | 0.4%    | -6.8%   | -1.7%   | 5.3%    | -0.1%   | 0.6%    | -0.7%   | 12.2%   | 1.5%    | 9.2%    | -3.1%   | -6.3%   | -5.4%   | 1.0%    | 5.3%    |
| Retail & wholesale trade          |     | 5,012   | 5,683   | 5,947   | 5,584   | 6,684   | 6,538   | 7,178   | 6,685   | 6,311   | 5,923   | 6,477   | 6,905   | 6,949   | 7,107   | 7,335   | 7,739   |
|                                   |     | -20.6%  | 13.4%   | 4.6%    | -6.1%   | 19.7%   | -2.2%   | 9.8%    | -6.9%   | -5.6%   | -6.2%   | 9.4%    | 6.6%    | 0.6%    | 2.3%    | 3.2%    | 5.5%    |
| Transport buildings               |     | 867     | 709     | 855     | 978     | 1,119   | 1,407   | 903     | 784     | 1,221   | 980     | 1,187   | 1,212   | 1,174   | 1,299   | 1,360   | 1,424   |
|                                   |     | -17.8%  | -18.3%  | 20.6%   | 14.4%   | 14.4%   | 25.7%   | -35.8%  | -13.2%  | 55.8%   | -19.7%  | 21.1%   | 2.1%    | -3.2%   | 10.7%   | 4.7%    | 4.7%    |
| Offices                           |     | 6,428   | 5,982   | 6,360   | 6,523   | 6,275   | 6,820   | 6,766   | 5,397   | 7,411   | 7,735   | 8,554   | 7,498   | 7,145   | 6,451   | 6,384   | 6,831   |
|                                   |     | -28.6%  | -6.9%   | 6.3%    | 2.6%    | -3.8%   | 8.7%    | -0.8%   | -20.2%  | 37.3%   | 4.4%    | 10.6%   | -12.3%  | -4.7%   | -9.7%   | -1.0%   | 7.0%    |
| Other commercial                  |     | 293     | 300     | 210     | 280     | 397     | 340     | 447     | 332     | 654     | 887     | 656     | 435     | 435     | 494     | 545     | 531     |
|                                   |     | 6.6%    | 2.2%    | -30.0%  | 33.5%   | 41.8%   | -14.4%  | 31.5%   | -25.8%  | 96.9%   | 35.6%   | -26.0%  | -33.6%  | -0.1%   | 13.5%   | 10.4%   | -2.6%   |
| Factories                         |     | 1,102   | 1,059   | 1,240   | 1,019   | 888     | 838     | 955     | 1,119   | 912     | 1,291   | 1,350   | 1,011   | 991     | 975     | 951     | 927     |
|                                   |     | -30.0%  | -3.9%   | 17.1%   | -17.8%  | -12.8%  | -5.7%   | 13.9%   | 17.2%   | -18.5%  | 41.5%   | 4.6%    | -25.2%  | -1.9%   | -1.6%   | -2.5%   | -2.5%   |
| Warehouses                        |     | 2,003   | 2,317   | 2,612   | 2,478   | 2,886   | 3,119   | 2,779   | 3,341   | 3,271   | 3,397   | 4,619   | 3,845   | 3,284   | 3,468   | 3,660   | 3,731   |
|                                   |     | -31.4%  | 15.6%   | 12.8%   | -5.1%   | 16.5%   | 8.1%    | -10.9%  | 20.2%   | -2.1%   | 3.9%    | 36.0%   | -16.8%  | -14.6%  | 5.6%    | 5.5%    | 1.9%    |
| Agriculture & aquaculture         |     | 232     | 342     | 253     | 191     | 209     | 378     | 472     | 421     | 422     | 304     | 304     | 308     | 245     | 242     | 261     | 291     |
|                                   |     | -18.2%  | 47.8%   | -26.2%  | -24.4%  | 9.5%    | 80.8%   | 24.8%   | -10.8%  | 0.3%    | -28.1%  | 0.3%    | 1.2%    | -20.7%  | -0.9%   | 7.8%    | 11.4%   |
| Other industrial                  |     | 926     | 1,180   | 1,782   | 2,585   | 1,445   | 870     | 697     | 689     | 729     | 1,065   | 944     | 855     | 823     | 841     | 928     | 1,080   |
|                                   |     | -20.2%  | 27.4%   | 51.0%   | 45.0%   | -44.1%  | -39.8%  | -19.9%  | -1.1%   | 5.7%    | 46.1%   | -11.3%  | -9.4%   | -3.7%   | 2.2%    | 10.4%   | 16.4%   |
| Education                         |     | 12,144  | 11,595  | 5,867   | 5,005   | 5,228   | 4,840   | 4,495   | 5,192   | 6,561   | 6,720   | 7,311   | 7,077   | 6,320   | 5,542   | 5,391   | 5,692   |
|                                   |     | 201.9%  | -4.5%   | -49.4%  | -14.7%  | 4.4%    | -7.4%   | -7.1%   | 15.5%   | 26.4%   | 2.4%    | 8.8%    | -3.2%   | -10.7%  | -12.3%  | -2.7%   | 5.6%    |
| Religion                          |     | 184     | 247     | 232     | 209     | 264     | 225     | 206     | 198     | 275     | 173     | 159     | 215     | 205     | 215     | 276     | 261     |
|                                   |     | 22.1%   | 34.7%   | -6.3%   | -9.5%   | 26.2%   | -14.7%  | -8.4%   | -3.9%   | 38.8%   | -37.0%  | -8.4%   | 35.4%   | -4.6%   | 4.9%    | 28.4%   | -5.4%   |
| Aged care facilities              |     | 1,034   | 813     | 859     | 857     | 1,164   | 1,412   | 1,970   | 2,180   | 2,474   | 1,990   | 1,990   | 1,921   | 1,833   | 1,838   | 1,956   | 2,045   |
|                                   |     | -27.4%  | -21.4%  | 5.7%    | -0.3%   | 35.9%   | 21.3%   | 39.5%   | 10.6%   | 13.5%   | -19.5%  | 0.0%    | -3.5%   | -4.6%   | 0.3%    | 6.4%    | 4.6%    |
| Health facilities (non-aged care) |     | 3,223   | 3,778   | 4,550   | 4,786   | 5,679   | 5,180   | 4,222   | 3,399   | 2,774   | 2,813   | 3,489   | 4,471   | 4,624   | 4,055   | 3,750   | 3,920   |
|                                   |     | 41.2%   | 17.2%   | 20.4%   | 5.2%    | 18.6%   | -8.8%   | -18.5%  | -19.5%  | -18.4%  | 1.4%    | 24.0%   | 28.2%   | 3.4%    | -12.3%  | -7.5%   | 4.5%    |
| Entertainment & Recreation        |     | 2,219   | 2,318   | 2,281   | 2,350   | 2,344   | 2,236   | 3,199   | 3,195   | 3,356   | 3,267   | 3,199   | 3,705   | 3,781   | 3,328   | 3,071   | 3,257   |
|                                   |     | -7.5%   | 4.4%    | -1.6%   | 3.0%    | -0.3%   | -4.6%   | 43.0%   | -0.1%   | 5.0%    | -2.6%   | -2.1%   | 15.8%   | 2.1%    | -12.0%  | -7.7%   | 6.0%    |
| Accommodation                     |     | 1,098   | 951     | 1,304   | 1,179   | 1,136   | 1,871   | 2,140   | 2,624   | 3,457   | 3,136   | 4,215   | 3,807   | 2,689   | 2,250   | 2,500   | 2,575   |
|                                   |     | -26.1%  | -13.4%  | 37.2%   | -9.6%   | -3.6%   | 64.6%   | 14.4%   | 22.7%   | 31.7%   | -9.3%   | 34.4%   | -9.7%   | -29.4%  | -16.3%  | 11.1%   | 3.0%    |
| Other non-residential             |     | 2,684   | 2,340   | 2,571   | 2,259   | 2,473   | 2,072   | 1,932   | 2,517   | 2,875   | 3,648   | 2,844   | 2,567   | 2,470   | 2,522   | 2,669   | 2,897   |
|                                   |     | 44.0%   | -12.8%  | 9.8%    | -12.1%  | 9.5%    | -16.2%  | -6.7%   | 30.3%   | 14.2%   | 26.9%   | -22.0%  | -9.7%   | -3.8%   | 2.1%    | 5.8%    | 8.6%    |

# NON-RESIDENTIAL BUILDING CONT.

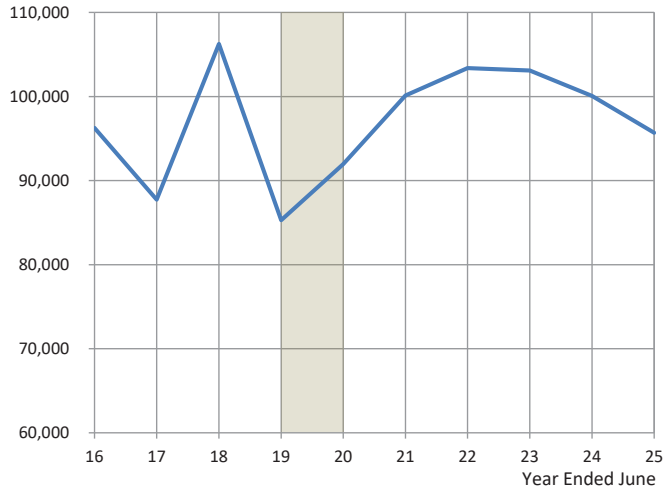


# ENGINEERING CONSTRUCTION

Australia Engineering Construction Work Done 2018/19



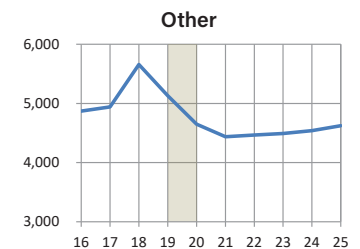
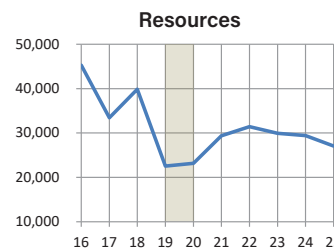
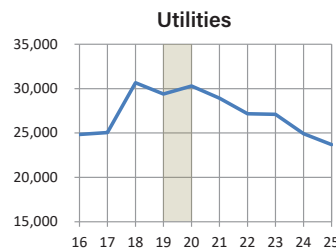
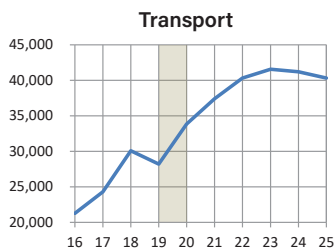
Engineering Construction (\$M)



## ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2016/17 prices - Year Ended June

|                          | %ch | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|--------------------------|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Engineering Construction |     | 87,839  | 97,062  | 132,193 | 142,883 | 137,384 | 114,704 | 96,261  | 87,720  | 106,246 | 85,289  | 91,956  | 100,114 | 103,371 | 103,084 | 100,068 | 95,694  |
|                          |     | 0.1%    | 10.5%   | 36.2%   | 8.1%    | -3.8%   | -16.5%  | -16.1%  | -8.9%   | 21.1%   | -19.7%  | 7.8%    | 8.9%    | 3.3%    | -0.3%   | -2.9%   | -4.4%   |
| Transport                |     | 26,032  | 30,548  | 35,891  | 36,445  | 29,566  | 23,797  | 21,271  | 24,301  | 30,071  | 28,217  | 33,862  | 37,402  | 40,318  | 41,565  | 41,199  | 40,319  |
|                          |     | -1.8%   | 17.3%   | 17.5%   | 1.5%    | -18.9%  | -19.5%  | -10.6%  | 14.2%   | 23.7%   | -6.2%   | 20.0%   | 10.5%   | 7.8%    | 3.1%    | -0.9%   | -2.1%   |
| Utilities                |     | 28,406  | 28,774  | 29,558  | 32,550  | 31,436  | 27,385  | 24,832  | 25,053  | 30,660  | 29,393  | 30,293  | 28,915  | 27,174  | 27,109  | 24,915  | 23,693  |
|                          |     | 3.1%    | 1.3%    | 2.7%    | 10.1%   | -3.4%   | -12.9%  | -9.3%   | 0.9%    | 22.4%   | -4.1%   | 3.1%    | -4.5%   | -6.0%   | -0.2%   | -8.1%   | -4.9%   |
| Resources                |     | 28,644  | 33,520  | 61,830  | 66,802  | 70,075  | 58,486  | 45,286  | 33,427  | 39,857  | 22,548  | 23,153  | 29,360  | 31,411  | 29,919  | 29,415  | 27,059  |
|                          |     | -2.9%   | 17.0%   | 84.5%   | 8.0%    | 4.9%    | -16.5%  | -22.6%  | -26.2%  | 19.2%   | -43.4%  | 2.7%    | 26.8%   | 7.0%    | -4.8%   | -1.7%   | -8.0%   |
| Other                    |     | 4,756   | 4,221   | 4,914   | 7,085   | 6,306   | 5,036   | 4,871   | 4,940   | 5,657   | 5,132   | 4,647   | 4,437   | 4,467   | 4,491   | 4,539   | 4,623   |
|                          |     | 13.2%   | -11.2%  | 16.4%   | 44.2%   | -11.0%  | -20.1%  | -3.3%   | 1.4%    | 14.5%   | -9.3%   | -9.4%   | -4.5%   | 0.7%    | 0.5%    | 1.1%    | 1.9%    |

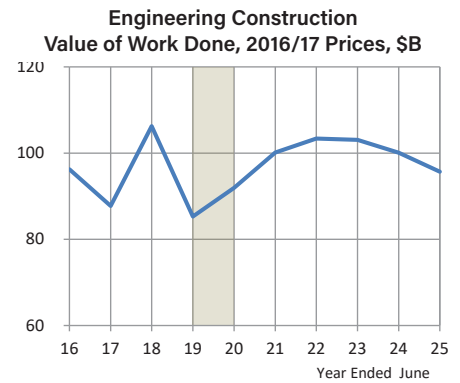
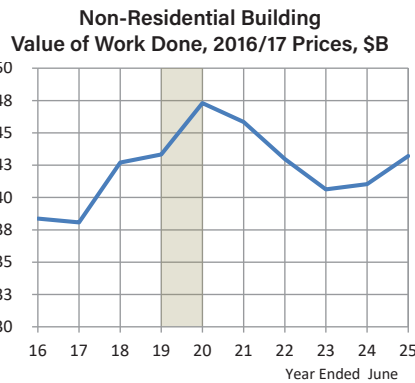
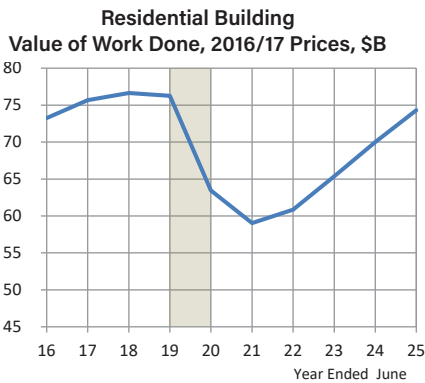


# NUMBER OF DWELLING COMMENCEMENTS BY SECTOR BY STATE

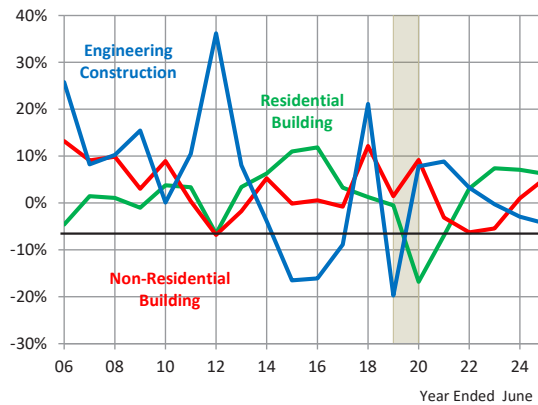
Year Ended June

|                                     | %ch     | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>NEW SOUTH WALES</b>              |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 33,222  | 32,309  | 30,827  | 42,377  | 47,595  | 57,746  | 69,696  | 74,706  | 72,276  | 63,343  | 45,490  | 43,662  | 46,296  | 50,316  | 53,881  | 56,953  |         |
|                                     | 38.0%   | -2.7%   | -4.6%   | 37.5%   | 12.3%   | 21.3%   | 20.7%   | 7.2%    | -3.3%   | -12.4%  | -28.2%  | -4.0%   | 6.0%    | 8.7%    | 7.1%    | 5.7%    |         |
| Houses                              | 17,646  | 16,040  | 15,594  | 18,951  | 22,155  | 25,309  | 27,468  | 29,437  | 30,802  | 28,948  | 23,733  | 22,148  | 22,801  | 23,954  | 25,289  | 26,455  |         |
|                                     | 30.8%   | -9.1%   | -2.8%   | 21.5%   | 16.9%   | 14.2%   | 8.5%    | 7.2%    | 4.6%    | -6.0%   | -18.0%  | -6.7%   | 2.9%    | 5.1%    | 5.6%    | 4.6%    |         |
| Other Dwellings                     | 15,576  | 16,269  | 15,233  | 23,426  | 25,440  | 32,437  | 42,228  | 45,269  | 41,474  | 34,395  | 21,757  | 21,514  | 23,494  | 26,362  | 28,592  | 30,498  |         |
|                                     | 47.2%   | 4.4%    | -6.4%   | 53.8%   | 8.6%    | 27.5%   | 30.2%   | 7.2%    | -8.4%   | -17.1%  | -36.7%  | -1.1%   | 9.2%    | 12.2%   | 8.5%    | 6.7%    |         |
| <b>VICTORIA</b>                     |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 54,955  | 59,113  | 50,568  | 50,794  | 51,521  | 64,946  | 68,591  | 64,302  | 75,558  | 62,046  | 52,767  | 51,413  | 53,373  | 56,812  | 59,858  | 63,008  |         |
|                                     | 31.1%   | 7.6%    | -14.5%  | 0.4%    | 1.4%    | 26.1%   | 5.6%    | -6.3%   | 17.5%   | -17.9%  | -15.0%  | -2.6%   | 3.8%    | 6.4%    | 5.4%    | 5.3%    |         |
| Houses                              | 37,977  | 34,889  | 30,134  | 28,009  | 29,462  | 32,357  | 35,574  | 35,760  | 38,579  | 36,452  | 33,538  | 31,592  | 31,418  | 33,232  | 34,589  | 35,809  |         |
|                                     | 24.2%   | -8.1%   | -13.6%  | -7.1%   | 5.2%    | 9.8%    | 9.9%    | 0.5%    | 7.9%    | -5.5%   | -8.0%   | -5.8%   | -0.6%   | 5.8%    | 4.1%    | 3.5%    |         |
| Other Dwellings                     | 16,978  | 24,224  | 20,434  | 22,785  | 22,059  | 32,589  | 33,017  | 28,542  | 36,979  | 25,594  | 19,229  | 19,821  | 21,956  | 23,580  | 25,269  | 27,200  |         |
|                                     | 49.6%   | 42.7%   | -15.6%  | 11.5%   | -3.2%   | 47.7%   | 1.3%    | -13.6%  | 29.6%   | -30.8%  | -24.9%  | 3.1%    | 10.8%   | 7.4%    | 7.2%    | 7.6%    |         |
| <b>QUEENSLAND</b>                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 35,278  | 29,296  | 28,464  | 30,259  | 36,767  | 45,341  | 49,738  | 44,574  | 42,127  | 36,514  | 29,362  | 32,637  | 37,423  | 41,750  | 44,967  | 46,925  |         |
|                                     | 19.7%   | -17.0%  | -2.8%   | 6.3%    | 21.5%   | 23.3%   | 9.7%    | -10.4%  | -5.5%   | -13.3%  | -19.6%  | 11.2%   | 14.7%   | 11.6%   | 7.7%    | 4.4%    |         |
| Houses                              | 24,601  | 19,439  | 18,164  | 18,898  | 20,457  | 23,332  | 23,567  | 24,542  | 26,266  | 22,510  | 19,686  | 20,992  | 22,902  | 24,687  | 25,843  | 26,515  |         |
|                                     | 20.4%   | -21.0%  | -6.6%   | 4.0%    | 8.2%    | 14.1%   | 1.0%    | 4.1%    | 7.0%    | -14.3%  | -12.5%  | 6.6%    | 9.1%    | 7.8%    | 4.7%    | 2.6%    |         |
| Other Dwellings                     | 10,677  | 9,857   | 10,300  | 11,361  | 16,310  | 22,009  | 26,171  | 20,032  | 15,861  | 14,004  | 9,675   | 11,645  | 14,520  | 17,063  | 19,124  | 20,410  |         |
|                                     | 18.3%   | -7.7%   | 4.5%    | 10.3%   | 43.6%   | 34.9%   | 18.9%   | -23.5%  | -20.8%  | -11.7%  | -30.9%  | 20.4%   | 24.7%   | 17.5%   | 12.1%   | 6.7%    |         |
| <b>SOUTH AUSTRALIA</b>              |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 12,314  | 10,967  | 9,148   | 8,992   | 11,153  | 10,628  | 11,279  | 10,834  | 13,063  | 10,108  | 9,915   | 8,833   | 8,288   | 8,173   | 8,394   | 8,796   |         |
|                                     | 1.4%    | -10.9%  | -16.6%  | -1.7%   | 24.0%   | -4.7%   | 6.1%    | -3.9%   | 20.6%   | -22.6%  | -1.9%   | -10.9%  | -6.2%   | -1.4%   | 2.7%    | 4.8%    |         |
| Houses                              | 9,681   | 8,258   | 6,939   | 6,529   | 8,307   | 7,780   | 7,687   | 7,657   | 8,210   | 7,360   | 7,099   | 6,350   | 5,908   | 5,836   | 5,963   | 6,203   |         |
|                                     | 3.7%    | -14.7%  | -16.0%  | -5.9%   | 27.2%   | -6.3%   | -1.2%   | -0.4%   | 7.2%    | -10.4%  | -3.5%   | -10.5%  | -7.0%   | -1.2%   | 2.2%    | 4.0%    |         |
| Other Dwellings                     | 2,633   | 2,709   | 2,209   | 2,463   | 2,846   | 2,848   | 3,592   | 3,177   | 4,853   | 2,748   | 2,816   | 2,483   | 2,380   | 2,337   | 2,431   | 2,593   |         |
|                                     | -6.3%   | 2.9%    | -18.5%  | 11.5%   | 15.6%   | 0.1%    | 26.1%   | -11.6%  | 52.8%   | -43.4%  | 2.5%    | -11.8%  | -4.1%   | -1.8%   | 4.0%    | 6.7%    |         |
| <b>WESTERN AUSTRALIA</b>            |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 25,502  | 20,981  | 17,861  | 24,854  | 29,638  | 31,732  | 25,513  | 19,637  | 18,304  | 15,634  | 14,513  | 14,710  | 15,648  | 16,565  | 17,909  | 19,069  |         |
|                                     | 37.3%   | -17.7%  | -14.9%  | 39.2%   | 19.2%   | 7.1%    | -19.6%  | -23.0%  | -6.8%   | -14.6%  | -7.2%   | 1.4%    | 6.4%    | 5.9%    | 8.1%    | 6.5%    |         |
| Houses                              | 20,078  | 17,055  | 14,729  | 19,024  | 23,097  | 23,609  | 18,098  | 14,453  | 13,562  | 12,025  | 10,997  | 11,565  | 12,419  | 13,218  | 14,195  | 15,004  |         |
|                                     | 35.3%   | -15.1%  | -13.6%  | 29.2%   | 21.4%   | 2.2%    | -23.3%  | -20.1%  | -6.2%   | -11.3%  | -8.5%   | 5.2%    | 7.4%    | 6.4%    | 7.4%    | 5.7%    |         |
| Other Dwellings                     | 5,424   | 3,926   | 3,132   | 5,830   | 6,541   | 8,123   | 7,415   | 5,184   | 4,742   | 3,609   | 3,516   | 3,145   | 3,229   | 3,347   | 3,714   | 4,065   |         |
|                                     | 45.4%   | -27.6%  | -20.2%  | 86.1%   | 12.2%   | 24.2%   | -8.7%   | -30.1%  | -8.5%   | -23.9%  | -2.6%   | -10.5%  | 2.7%    | 3.7%    | 11.0%   | 9.5%    |         |
| <b>TASMANIA</b>                     |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 3,221   | 3,064   | 2,268   | 1,917   | 1,962   | 2,842   | 2,443   | 2,177   | 2,827   | 2,957   | 2,895   | 2,772   | 2,722   | 2,687   | 2,719   | 2,802   |         |
|                                     | 9.2%    | -4.9%   | -26.0%  | -15.5%  | 2.3%    | 44.9%   | -14.0%  | -10.9%  | 29.9%   | 4.6%    | -2.1%   | -4.2%   | -1.8%   | -1.3%   | 1.2%    | 3.1%    |         |
| Houses                              | 2,570   | 2,198   | 1,740   | 1,528   | 1,643   | 2,333   | 2,043   | 1,758   | 2,311   | 2,618   | 2,632   | 2,486   | 2,380   | 2,289   | 2,279   | 2,337   |         |
|                                     | 5.2%    | -14.5%  | -20.8%  | -12.2%  | 7.5%    | 42.0%   | -12.4%  | -14.0%  | 31.5%   | 13.3%   | 0.5%    | -5.6%   | -4.2%   | -3.8%   | -0.5%   | 2.6%    |         |
| Other Dwellings                     | 651     | 866     | 528     | 389     | 319     | 509     | 400     | 419     | 516     | 339     | 263     | 287     | 342     | 397     | 440     | 465     |         |
|                                     | 28.9%   | 33.0%   | -39.0%  | -26.3%  | -18.0%  | 59.6%   | -21.4%  | 4.8%    | 23.2%   | -34.3%  | -22.5%  | 9.0%    | 19.3%   | 16.2%   | 10.8%   | 5.6%    |         |
| <b>NORTHERN TERRITORY</b>           |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 1,358   | 1,663   | 1,620   | 2,333   | 2,040   | 2,003   | 1,539   | 994     | 974     | 645     | 555     | 626     | 760     | 934     | 1,113   | 1,228   |         |
|                                     | 36.1%   | 22.5%   | -2.6%   | 44.0%   | -12.6%  | -1.8%   | -23.2%  | -35.4%  | -2.0%   | -33.8%  | -13.9%  | 12.8%   | 21.3%   | 22.9%   | 19.2%   | 10.4%   |         |
| Houses                              | 830     | 798     | 841     | 821     | 880     | 868     | 888     | 734     | 609     | 498     | 412     | 414     | 467     | 553     | 640     | 697     |         |
|                                     | 22.4%   | -3.9%   | 5.4%    | -2.4%   | 7.2%    | -1.4%   | 2.3%    | -17.3%  | -17.0%  | -18.2%  | -17.3%  | 0.4%    | 12.9%   | 18.4%   | 15.7%   | 8.9%    |         |
| Other Dwellings                     | 528     | 865     | 779     | 1,512   | 1,160   | 1,135   | 651     | 260     | 365     | 147     | 143     | 213     | 293     | 381     | 473     | 532     |         |
|                                     | 65.0%   | 63.8%   | -9.9%   | 94.1%   | -23.3%  | -2.2%   | -42.6%  | -60.1%  | 40.4%   | -59.7%  | -2.5%   | 48.3%   | 37.8%   | 30.1%   | 24.2%   | 12.4%   |         |
| <b>AUSTRALIAN CAPITAL TERRITORY</b> |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 4,425   | 5,106   | 4,595   | 4,499   | 4,235   | 4,052   | 5,073   | 4,803   | 5,062   | 5,981   | 4,635   | 4,615   | 4,517   | 4,601   | 4,791   | 5,128   |         |
|                                     | 67.6%   | 15.4%   | -10.0%  | -2.1%   | -5.9%   | -4.3%   | 25.2%   | -5.3%   | 5.4%    | 18.2%   | -22.5%  | -0.4%   | -2.1%   | 1.9%    | 4.1%    | 7.0%    |         |
| Houses                              | 2,203   | 1,869   | 1,696   | 1,872   | 1,616   | 1,538   | 1,031   | 1,143   | 1,156   | 1,343   | 1,245   | 1,397   | 1,433   | 1,320   | 1,232   | 1,281   |         |
|                                     | 66.1%   | -15.2%  | -9.3%   | 10.4%   | -13.7%  | -4.8%   | -33.0%  | 10.9%   | 1.1%    | 16.2%   | -7.3%   | 12.2%   | 2.6%    | -7.9%   | -6.7%   | 4.0%    |         |
| Other Dwellings                     | 2,222   | 3,237   | 2,899   | 2,627   | 2,619   | 2,514   | 4,042   | 3,660   | 3,906   | 4,638   | 3,391   | 3,218   | 3,084   | 3,281   | 3,560   | 3,847   |         |
|                                     | 69.1%   | 45.7%   | -10.4%  | -9.4%   | -0.3%   | -4.0%   | 60.8%   | -9.5%   | 6.7%    | 18.7%   | -26.9%  | -5.1%   | -4.2%   | 6.4%    | 8.5%    | 8.1%    |         |
| <b>AUSTRALIAN</b>                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential Building                | 170,275 | 162,499 | 145,351 | 166,025 | 184,911 | 219,290 | 233,872 | 222,027 | 230,191 | 197,228 | 160,132 | 159,268 | 169,026 | 181,838 | 193,632 | 203,909 |         |
|                                     | 28.3%   | -4.6%   | -10.6%  | 14.2%   | 11.4%   | 18.6%   | 6.6%    | -5.1%   | 3.7%    | -14.3%  | -18.8%  | -0.5%   | 6.1%    | 7.6%    | 6.5%    | 5.3%    |         |
| Houses                              | 115,586 | 100,546 | 89,837  | 95,632  | 107,617 | 117,126 | 116,356 | 115,484 | 121,495 | 111,754 | 99,343  | 96,943  | 99,729  | 105,089 | 110,029 | 114,300 |         |
|                                     | 24.1%   | -13.0%  | -10.7%  | 6.5%    | 12.5%   | 8.8%    | -0.7%   | -0.7%   | 5.2%    | -8.0%   | -11.1%  | -2.4%   | 2.9%    | 5.4%    | 4.7%    | 3.9%    |         |
| Other Dwellings                     | 54,689  | 61,953  | 55,514  | 70,393  | 77,294  | 102,164 | 117,516 | 106,543 | 108,696 | 85,474  | 60,789  | 62,324  | 69,298  | 76,749  | 83,603  | 89,610  |         |
|                                     | 38.0%   | 13.3%   | -10.4%  | 26.8%   | 9.8%    | 32.2%   | 15.0%   | -9.3%   | 2.0%    | -21.4%  | -28.9%  | 2.5%    | 11.2%   | 10.8%   | 8.9%    | 7.2%    |         |

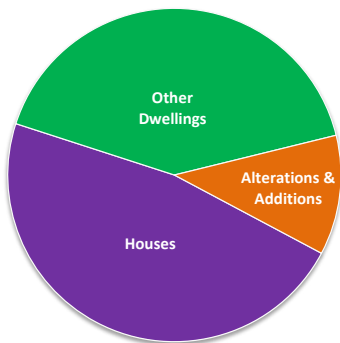
# BUILDING & CONSTRUCTION WORK DONE



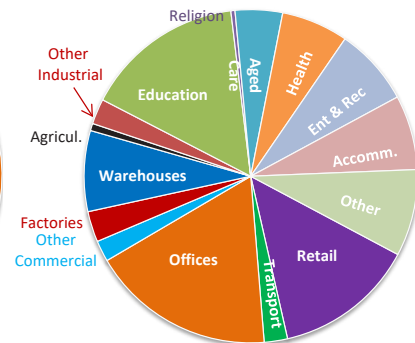
Australia - Building and Construction Work Done  
2016/17 Prices, %change



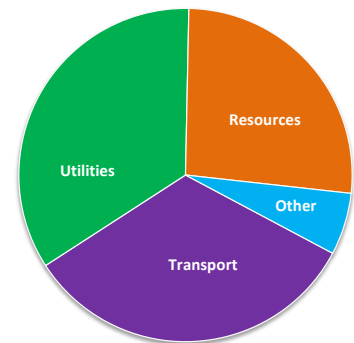
Residential Building Work done  
2018/19



Non-Residential Building Work Done  
2018/19



Engineering Construction Work Done  
2018/19



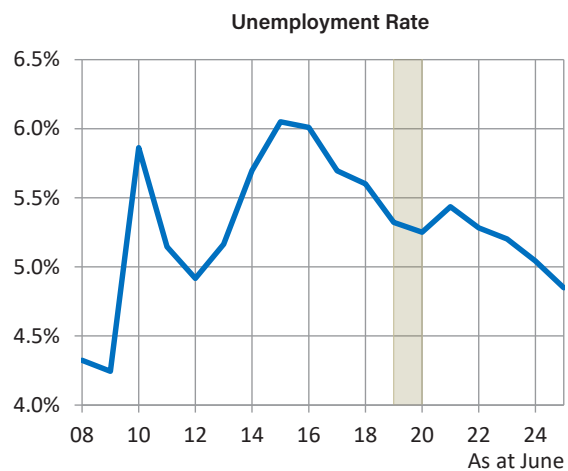
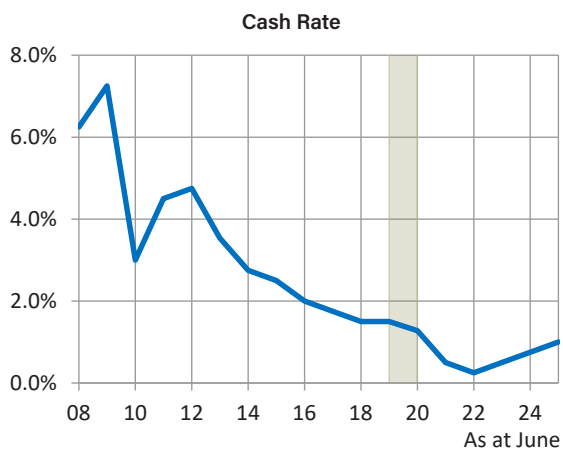
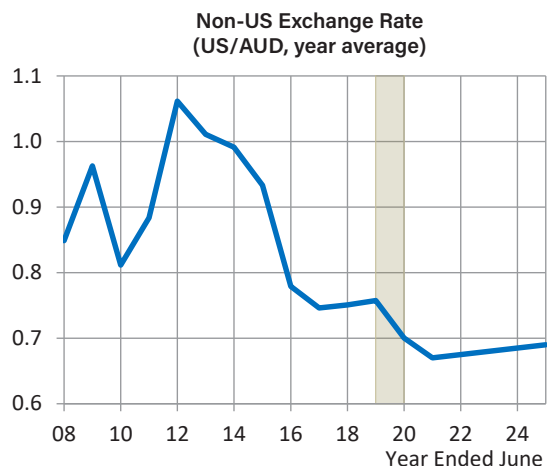
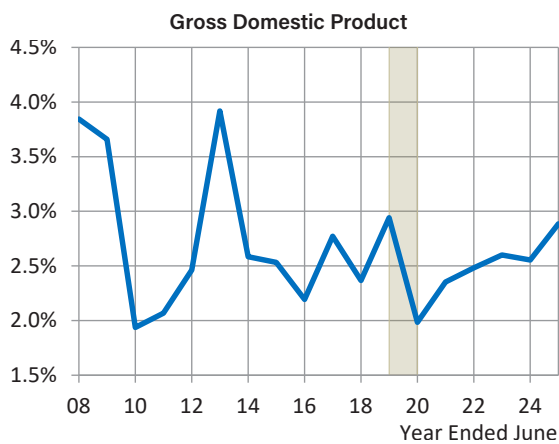
## BUILDING AND CONSTRUCTION WORK DONE

\$M, chain volume measures, constant 2016/17 prices - Year Ended June

|                                          | %ch | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|------------------------------------------|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Total Building &amp; Construction</b> |     | 222,797 | 234,679 | 234,577 | 218,339 | 207,881 | 201,468 | 225,590 | 204,870 | 202,694 | 204,985 | 207,196 | 209,070 | 211,098 | 213,216 |
|                                          |     | 14.8%   | 5.3%    | 0.0%    | -6.9%   | -4.8%   | -3.1%   | 12.0%   | -9.2%   | -1.1%   | 1.1%    | 1.1%    | 0.9%    | 1.0%    | 1.0%    |
| <b>Residential Building</b>              |     | 53,683  | 55,513  | 59,000  | 65,488  | 73,259  | 75,673  | 76,640  | 76,251  | 63,439  | 59,039  | 60,859  | 65,358  | 69,993  | 74,320  |
|                                          |     | -6.6%   | 3.4%    | 6.3%    | 11.0%   | 11.9%   | 3.3%    | 1.3%    | -0.5%   | -16.8%  | -6.9%   | 3.1%    | 7.4%    | 7.1%    | 6.2%    |
| <b>Non-Residential Building</b>          |     | 36,921  | 36,284  | 38,193  | 38,147  | 38,362  | 38,075  | 42,704  | 43,329  | 47,300  | 45,832  | 42,967  | 40,627  | 41,037  | 43,202  |
|                                          |     | -6.8%   | -1.7%   | 5.3%    | -0.1%   | 0.6%    | -0.7%   | 12.2%   | 1.5%    | 9.2%    | -3.1%   | -6.3%   | -5.4%   | 1.0%    | 5.3%    |
| <b>Engineering Construction</b>          |     | 132,193 | 142,883 | 137,384 | 114,704 | 96,261  | 87,720  | 106,246 | 85,289  | 91,956  | 100,114 | 103,371 | 103,084 | 100,068 | 95,694  |
|                                          |     | 36.2%   | 8.1%    | -3.8%   | -16.5%  | -16.1%  | -8.9%   | 21.1%   | -19.7%  | 7.8%    | 8.9%    | 3.3%    | -0.3%   | -2.9%   | -4.4%   |

## ECONOMIC FORECASTS

|                                |            | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|--------------------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gross Domestic Product         | year %ch   | 2.5     | 2.2     | 2.8     | 2.4     | 2.9     | 2.0     | 2.4     | 2.5     | 2.6     | 2.6     | 2.9     | 2.9     |
| Employment                     | year %ch   | .5      | 1.7     | 2.0     | 2.2     | 2.8     | 2.2     | 1.6     | 1.6     | 1.9     | 2.0     | 1.7     | 1.2     |
| Unemployment Rate              | per cent   | 6.1     | 6.0     | 5.7     | 5.6     | 5.3     | 5.3     | 5.4     | 5.3     | 5.2     | 5.0     | 4.8     | 4.9     |
| US Exchange Rate               | USD/AUD    | .93     | .78     | .75     | .75     | .76     | .70     | .67     | .68     | .68     | .69     | .69     | .68     |
| Cash Rate                      | as at June | 2.5     | 2.0     | 1.8     | 1.5     | 1.5     | 1.3     | .5      | .3      | .5      | .8      | 1.0     | 1.3     |
| Standard Housing Variable Rate | as at June | 5.9     | 5.5     | 5.4     | 5.2     | 5.2     | 5.2     | 4.4     | 4.2     | 4.4     | 4.7     | 4.9     | 5.2     |



Source: Master Builders Australia, Macromonitor, ABS data.



**Separate forecast reports available for all states and territories. All report Data, Tables and Charts are available to order in Excel. Contact: [forecasts@masterbuilders.com.au](mailto:forecasts@masterbuilders.com.au)**



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