



MASTER BUILDERS
A U S T R A L I A

BUILDING & CONSTRUCTION

Industry Forecasts

AUSTRALIA

December 2017



National Residential Master Builder of the Year Award
Spadaccini Homes (Western Australia)

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MASTER BUILDERS
A U S T R A L I A

INTRODUCTION

Master Builders is the peak national association for the building and construction industry in Australia. Master Builders' primary role is to champion the interests of the building and construction industry, representing residential and commercial building, and engineering construction.

Master Builders has more than 33,000 member companies with representation in every State and Territory in Australia, the great majority of which, by number, are small to medium sized enterprises. Master Builders' membership consists of large national, international, residential and commercial builders and civil contractors through to smaller local subcontracting firms, as well as suppliers and professional industry advisers. Membership of Master Builders represents 95 per cent of all sectors of the building and construction industry.

The building and construction industry is the second largest industry in Australia, accounting for 8.1 per cent of Gross Domestic Product and provides jobs for close to 1.1 million Australians – 8.9 per cent of total employment in Australia.

Owner-occupied housing and other property investments account for over two-thirds of the asset portfolio and wealth of ordinary Australians.

The building and construction industry is made up of approximately 345,000 businesses of which 95 per cent are small businesses and independent contractors. Combined, these businesses employ 670,000 workers including 70,000 apprentices.

These forecasts have been prepared in conjunction with Macromonitor Pty Ltd. Macromonitor is one of Australia's leading industry research and forecasting firms, specialising in the building and construction sector.

For more information see www.masterbuilders.com.au, or send enquiries to enquiries@masterbuilders.com.au

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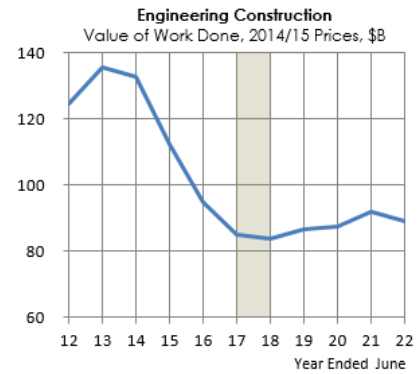
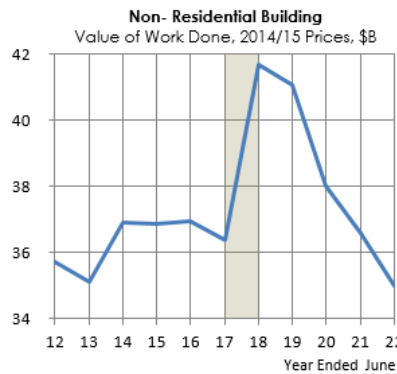
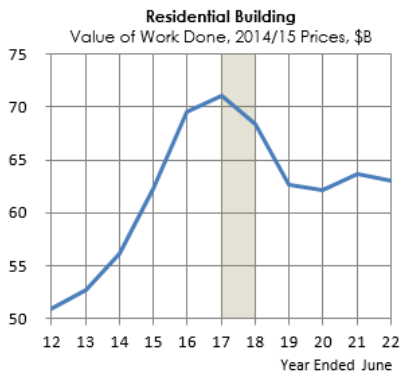
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AUSTRALIA COMMENTARY – OVERVIEW WITH ECONOMIC BACKDROP

Residential Building – the fundamentals are changing, activity should remain robust, but is expected to moderate slightly in 2018.

Non-Residential Building – building approvals, which have grown consistently since Mid-2016, support a much more positive outlook in 2018.

Engineering Construction – should become a more neutral contributor to the Australian economy in 2018, driven by transport project investments.



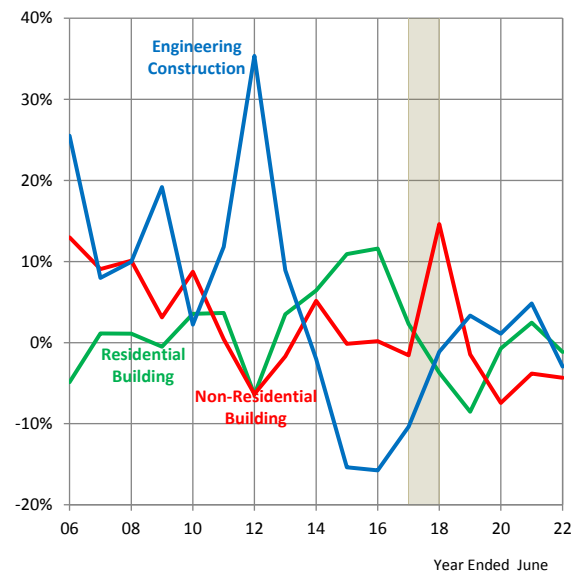
Master Builders expects a moderate rate of growth to return to the building and construction industry in 2017-18 as the economy provides greater support for investment into new capital and infrastructure than it has for some time.

On its own this is a relatively subdued outlook, but the details offer some important insights for the building and construction industry over the next few years.

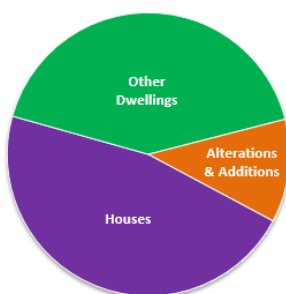
By sector, after being overshadowed during the mining boom years and then subsequently usurped as low interest rates supported a record east coast housing boom, commercial building activity is expected to outperform the other construction sectors in 2017-18. Commercial building approvals have risen steadily since Mid-2016, up by more than 17% over the 12 months to June 2017.

However, the outlook for the residential construction sector and the tail end of the wind down in mining related engineering construction will challenge growth in the building and construction industry in the next 12 months.

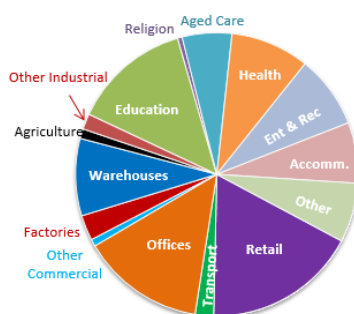
Australia - Building and Construction Work Done
2014/15 Prices, % change



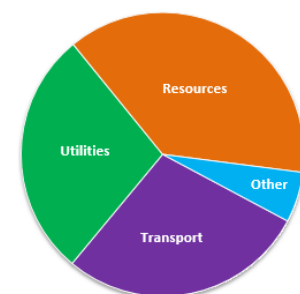
Residential Building Work Done
2016/17



Non-Residential Building Work Done
2016/17



Engineering Construction Work Done
2016/17



BUILDING AND CONSTRUCTION OUTLOOK

It's been a decade to remember for the building and construction industry. The crash in the US housing market, which ushered in the beginning of the Global Financial Crisis started around this time a decade ago.

But rather than follow trend our housing market never crashed. In fact, the last decade has been characterised by an unprecedented investment boom in the mining sector, which included the largest single investment projects ever undertaken in Australian history – the \$61 billion Gorgon LNG project.

To put the level of investment into major LNG projects over the past few years into perspective, the combined value of the top 3 largest LNG projects underway in Australia – which also includes the \$45 billion Ichthys LNG and the \$34 billion Wheatstone LNG project – is greater than the total value of private investment into roads and highways in Australia over the last decade.

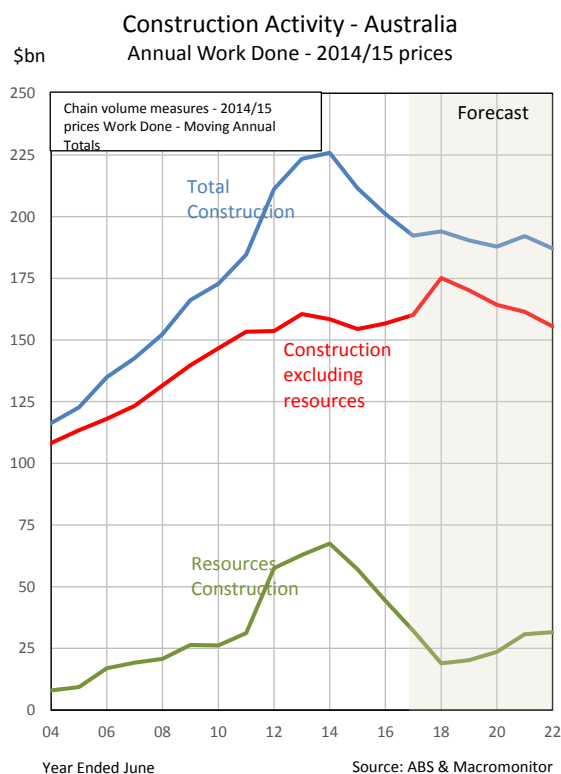
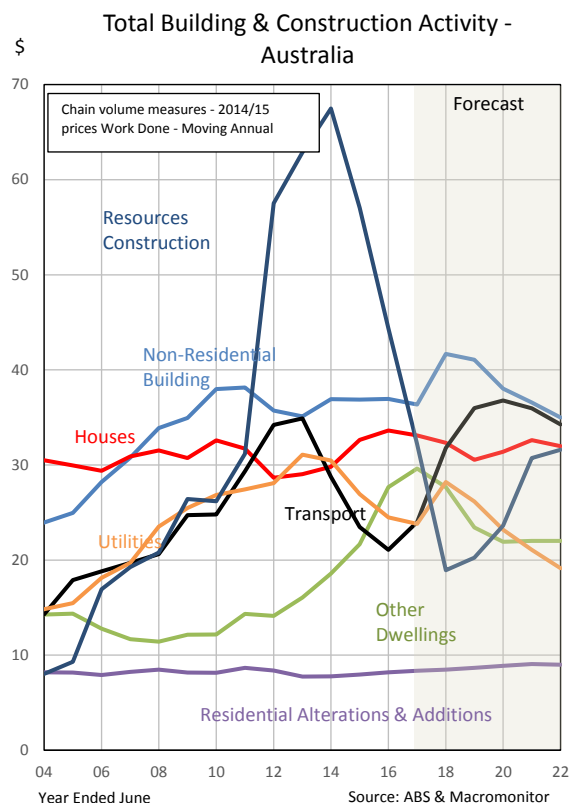
These projects have propped up investment into the resources sector for a number of years. But with work complete on Gorgon and the offshore platform of the Ichthys LNG project finally making its way from South Korea during the last quarter of 2017, it is safe to say there will be little contribution from the LNG sector to the construction pipeline in the next 12 months.

After falling by an average of over 10% for four straight years, the decline in the value of engineering construction activity is expected to moderate in 2017-18, and grow thereafter on the back of some big public spending commitments by the Federal and State Governments into major transport infrastructure projects.

The Governments \$75 billion Transport Infrastructure program is helping to support an expected boom in transport investment. Meanwhile, additional stamp duty revenues, generated by the housing boom, and funds from asset recycling has boosted state government investment into the transport sector.

The chart across the page clearly shows the pipeline of major transport projects is only just starting to ramp up. Activity is expected to continue to rise through the year and peak in 2019-20 at a little over \$16 billion.

Not only is this investment needed to support the expansion of productivity enhancing infrastructure, it also comes at an opportune time, providing a much needed offset to the predicted moderation in residential construction over the next couple of years – a rather neat reversal of roles from the past few years where it was the residential sector providing a buffer as mining investment cooled.



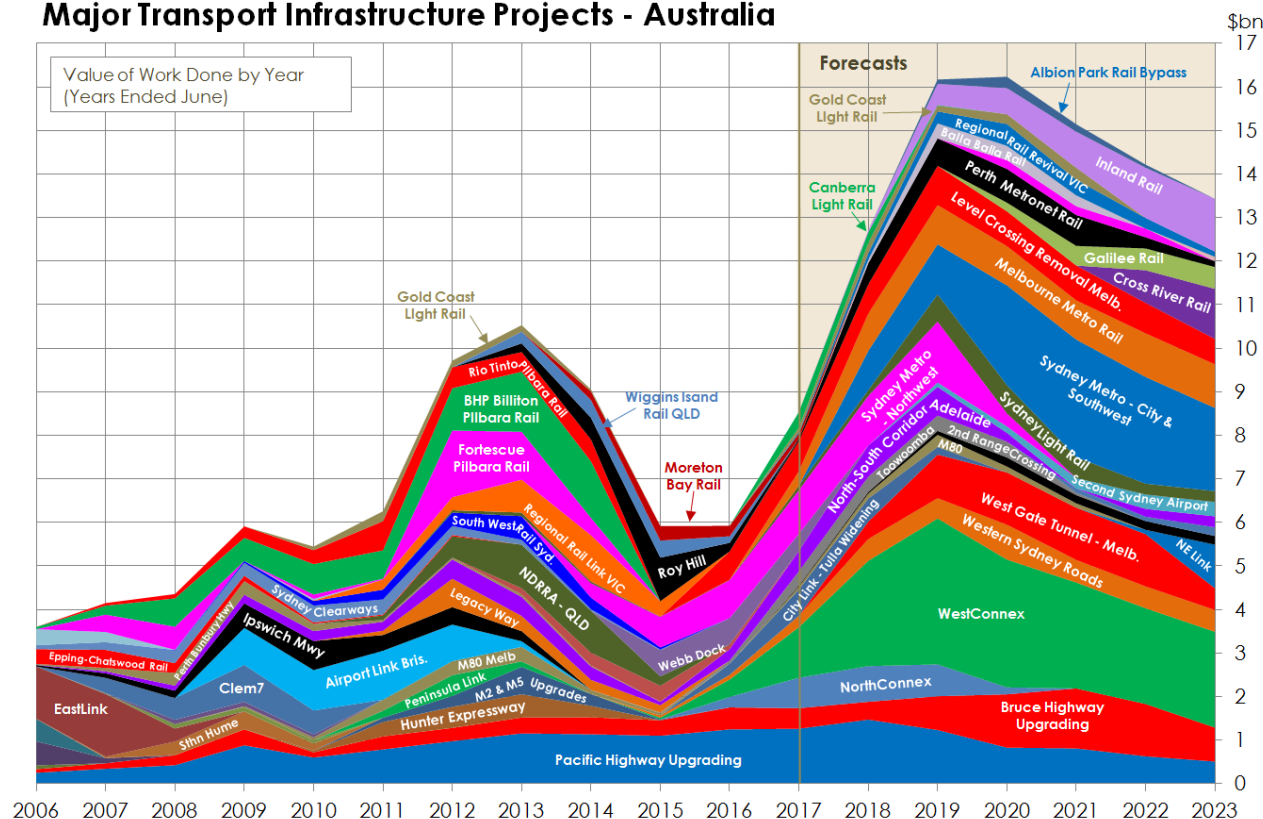
Strong population growth, record low interest rates and foreign demand have propped up the residential sector for a number of years. Low interest rates may hang around for a while longer, and population growth is showing no signs of slowing down any time soon. So while our forecasts show a softer period ahead, these fundamentals should mean the correction in housing construction is more than likely going to be modest.

The overall picture for the residential sector, putting relative differences in markets by geography and sectors

aside, is for a modest fall from the value of work done in the previous year of 3.7%, with total work worth a bit over \$68 billion.

Dwelling commencements are expected to drop under 200,000 for the first time in three years, but only just. New commencements are expected to be around 195,000, well above historical average and more than enough to support businesses and workers in the sector. That said, it's safe to say the peak in the housing construction boom is now behind us.

Major Transport Infrastructure Projects - Australia



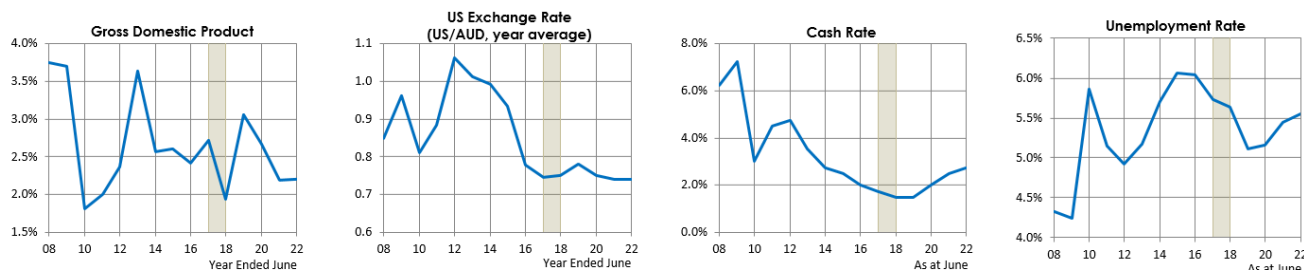
BUILDING AND CONSTRUCTION WORK DONE

\$M, chain volume measures, constant 2014/15 prices - Year Ended June

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total Building & Construction	211,164	223,449	225,899	211,551	201,118	192,314	194,031	190,404	187,854	192,148	187,127
%ch	14.4%	5.8%	1.1%	-6.4%	-4.9%	-4.4%	0.9%	-1.9%	-1.3%	2.3%	-2.6%
Residential Building	50,980	52,755	56,143	62,267	69,490	71,087	68,458	62,629	62,185	63,717	62,979
%ch	-6.4%	3.5%	6.4%	10.9%	11.6%	2.3%	-3.7%	-8.5%	-0.7%	2.5%	-1.2%
Non-Residential Building	35,723	35,119	36,924	36,869	36,936	36,363	41,672	41,071	38,020	36,563	34,980
%ch	-6.3%	-1.7%	5.1%	-0.1%	0.2%	-1.6%	14.6%	-1.4%	-7.4%	-3.8%	-4.3%
Engineering Construction	124,461	135,575	132,831	112,415	94,692	84,865	83,901	86,705	87,649	91,868	89,169
%ch	35.4%	8.9%	-2.0%	-15.4%	-15.8%	-10.4%	-1.1%	3.3%	1.1%	4.8%	-2.9%

Source: Master Builders Australia, Macromonitor, ABS data.

ECONOMIC BACKDROP



Despite some challenges, which include the well-publicised; (ever) imminent environmental disasters, and a growing appetite for protectionism, the global economy beat the expectations of many in 2017.

A number of less newsworthy but perhaps more important developments have been the key drivers of the Australian economy over the past 12 months.

China is back, and thanks to a renewed agenda for construction led growth has once again thrown a bone our way. Meanwhile (and somewhat related) commodity prices have found some solid ground after hitting a low point of around \$50 a tonne, iron ore prices are now sitting around \$75 per tonne.

This is a good thing considering as a nation we have spent substantially on expanding mine and export facilities in the hope of selling this stuff to Asia, at a profit.

Housing construction has been the other standout in 2017. From a low of 145,000 new housing commencement in 2011-12, new housing commencements have topped 200,000 for three years running, adding an extra one per cent to the size of the economy over this period (equivalent to more than 100,000 extra jobs).

This extra activity has also benefitted a bunch of other industries both upstream (such as building product manufacturers) and downstream (such as furniture, whitegoods and electronics retailers).

The housing boom has also been great for State Government coffers, with stamp duties on residential property (in the eastern states at least) returning record revenues and supporting greater investment into major transport and utilities infrastructure projects.

Elsewhere, given the three drivers of inflation risk – business pricing power, wage growth above productivity growth, and rising imports from a falling \$A – are in the slow lane, the likelihood that higher interest rates present a threat in 2018 have diminished considerably.

Jobs growth was exceptional in 2017. The recent Australian Bureau of Statistics Labour Force Survey data shows much of this growth has been in fulltime jobs.

Looking longer term better jobs growth should provide more support for higher future wages growth – and perhaps higher inflation.

ECONOMIC FORECASTS

		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Gross Domestic Product	year %ch	2.6	2.4	2.7	1.9	3.1	2.7	2.2	2.2	1.1
Employment	year %ch	.5	1.7	1.9	2.1	3.1	1.8	1.6	1.6	.8
Unemployment Rate	per cent	6.1	6.0	5.7	5.6	5.1	5.2	5.4	5.6	6.5
US Exchange Rate	USD/AUD	.93	.78	.75	.75	.78	.75	.74	.74	.74
Cash Rate	as at June	2.5	2.0	1.8	1.5	1.5	2.0	2.5	2.8	2.3
Standard Housing Variable Rate	as at June	6.0	5.5	5.4	5.3	5.2	5.7	6.2	6.5	6.1

Source: Master Builders Australia & Macromonitor

AUSTRALIA COMMENTARY – RESIDENTIAL BUILDING

The total number of new dwelling commencements again beat expectation in 2016-17, ending the year at just under 220,000 new housing commencements. Despite the sector moving past the peak in current activity (recorded in 2015-16 at a little over 230,000) the underlying fundamentals of higher population growth and low interest rates suggest activity will remain high for the next few years at least.

Three years in a row of new dwelling commencements at over 200,000 has put a good dent in the housing shortage. Other than a few pockets in inner city Sydney (and perhaps Melbourne), there is evidence that the housing supply gap has been filled in most jurisdictions.

On the other hand, rents in our major capital cities are still high, vacancy rates are low and any moderation in house prices have been small.

Added to this mix is a very high migration target for the next five years which is expected to support population growth above that for any other developed country – three times the OECD average.

This combination suggests this new supply has only just started to meet demand. Future demand is also expected to be higher than years past.

In terms of commencements this means an average of more than 185,000 new homes will need to be built just to keep pace with population flows and the other key underlying demand drivers, like foreign investors.

Master Builders' forecasts for the next five years predict new housing commencements to track at around 183,000 on average.

The outlook becomes more mixed by sector and across different geographies.

As the chart across shows, the decline in new housing construction is expected to come mostly from the units and apartments sector, with detached dwelling construction falling more moderately and even providing an offset in some jurisdictions.

By sector, the number of dwelling commencements for detached houses is expected to be just over 108,000 in 2017-18, a fall of 4.8% on the number of new detached house commencements in 2016-17.

Much of the activity during the housing construction boom over the last couple of years has come from the apartments market so it shouldn't be too much of a

surprise that much of the fall in activity is also expected to come from this sector.

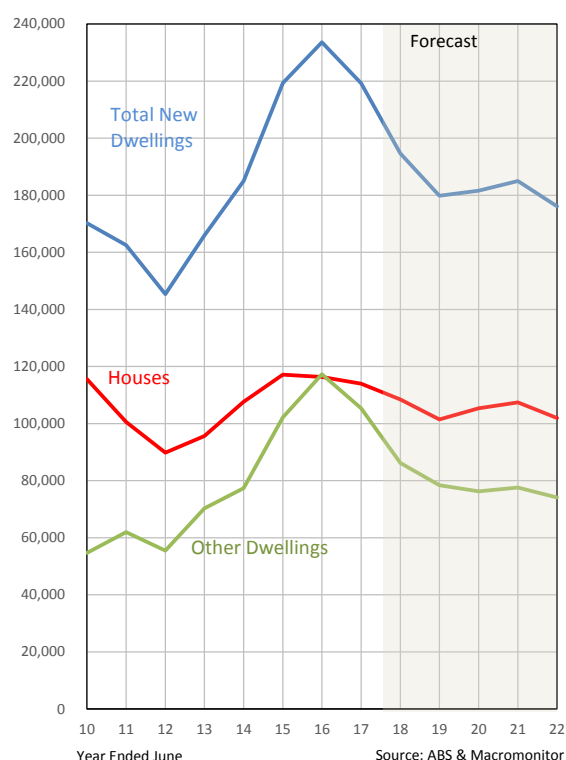
New unit and apartment commencements are expected to drop to around 27,000 in 2017/18, around 2,000 fewer new dwellings from the previous year – equivalent to a fall of 6.6%.

The renovations market remains a bright spot for construction activity. Driven primarily by cheap credit and healthy price growth, an increasing number of homeowners are choosing to reinvest in their home as a means of capturing greater value – a good move over the past few years given the relative capital return of property over other assets.

Renovations are expected to grow by 1.3% in 2017-18. Although if prices fall considerably in the capital cities this outlook may be challenged.

Master Builders' forecasts for foreign investor activity remain relatively unchanged from 6 months ago. We expect a considerable fall in the number of foreign financed investment properties in the next two years as recent moves by the Federal Government and by the various State Governments tighten the restrictions on foreign property investors.

Number of Dwellings Commenced - Australia



AUSTRALIA GRAPHS & TABLES – RESIDENTIAL BUILDING

AUSTRALIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

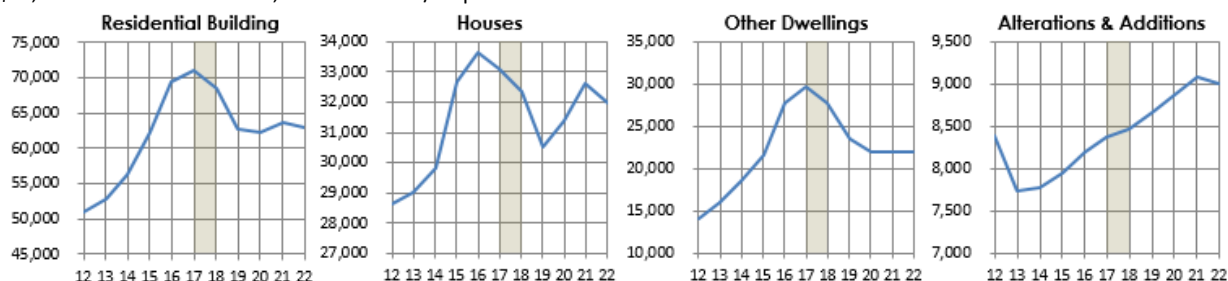
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	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
Residential Building	52,556	54,474	50,980	52,755	56,143	62,267	69,490	71,087	68,458	62,629	62,185	63,717	62,979
%ch	3.6%	3.6%	-6.4%	3.5%	6.4%	10.9%	11.6%	2.3%	-3.7%	-8.5%	-0.7%	2.5%	-1.2%
Houses	32,592	31,707	28,649	29,027	29,819	32,648	33,623	33,104	32,330	30,539	31,387	32,623	31,973
%ch	6.1%	-2.7%	-9.6%	1.3%	2.7%	9.5%	3.0%	-1.5%	-2.3%	-5.5%	2.8%	3.9%	-2.0%
Other Dwellings	12,178	14,335	14,116	16,067	18,567	21,672	27,676	29,618	27,657	23,436	21,923	22,020	22,009
%ch	0.3%	17.7%	-1.5%	13.8%	15.6%	16.7%	27.7%	7.0%	-6.6%	-15.3%	-6.5%	0.4%	-0.1%
Alterations & Additions	8,152	8,672	8,384	7,743	7,776	7,947	8,191	8,365	8,471	8,654	8,875	9,074	8,998
%ch	-0.2%	6.4%	-3.3%	-7.6%	0.4%	2.2%	3.1%	2.1%	1.3%	2.2%	2.6%	2.2%	-0.8%

Source: Master Builders Australia, Macromonitor, ABS data.

AUSTRALIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



AUSTRALIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

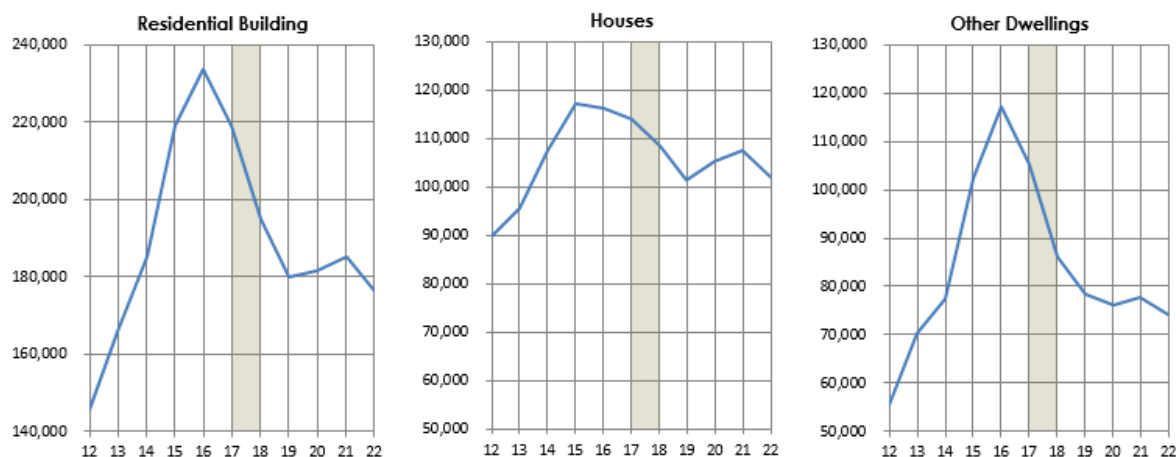
Year Ended June

	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
Residential Building	170,271	162,499	145,350	165,936	184,996	219,305	233,595	219,269	194,673	179,848	181,579	184,977	176,114
%ch	28.3%	-4.6%	-10.6%	14.2%	11.5%	18.5%	6.5%	-6.1%	-11.2%	-7.6%	1.0%	1.9%	-4.8%
Houses	115,586	100,549	89,837	95,633	107,618	117,124	116,343	113,950	108,457	101,477	105,332	107,415	101,969
%ch	24.1%	-13.0%	-10.7%	6.5%	12.5%	8.8%	-0.7%	-2.1%	-4.8%	-6.4%	3.8%	2.0%	-5.1%
Other Dwellings	54,685	61,950	55,513	70,303	77,378	102,181	117,252	105,319	86,216	78,371	76,247	77,562	74,145
%ch	38.0%	13.3%	-10.4%	26.6%	10.1%	32.1%	14.7%	-10.2%	-18.1%	-9.1%	-2.7%	1.7%	-4.4%

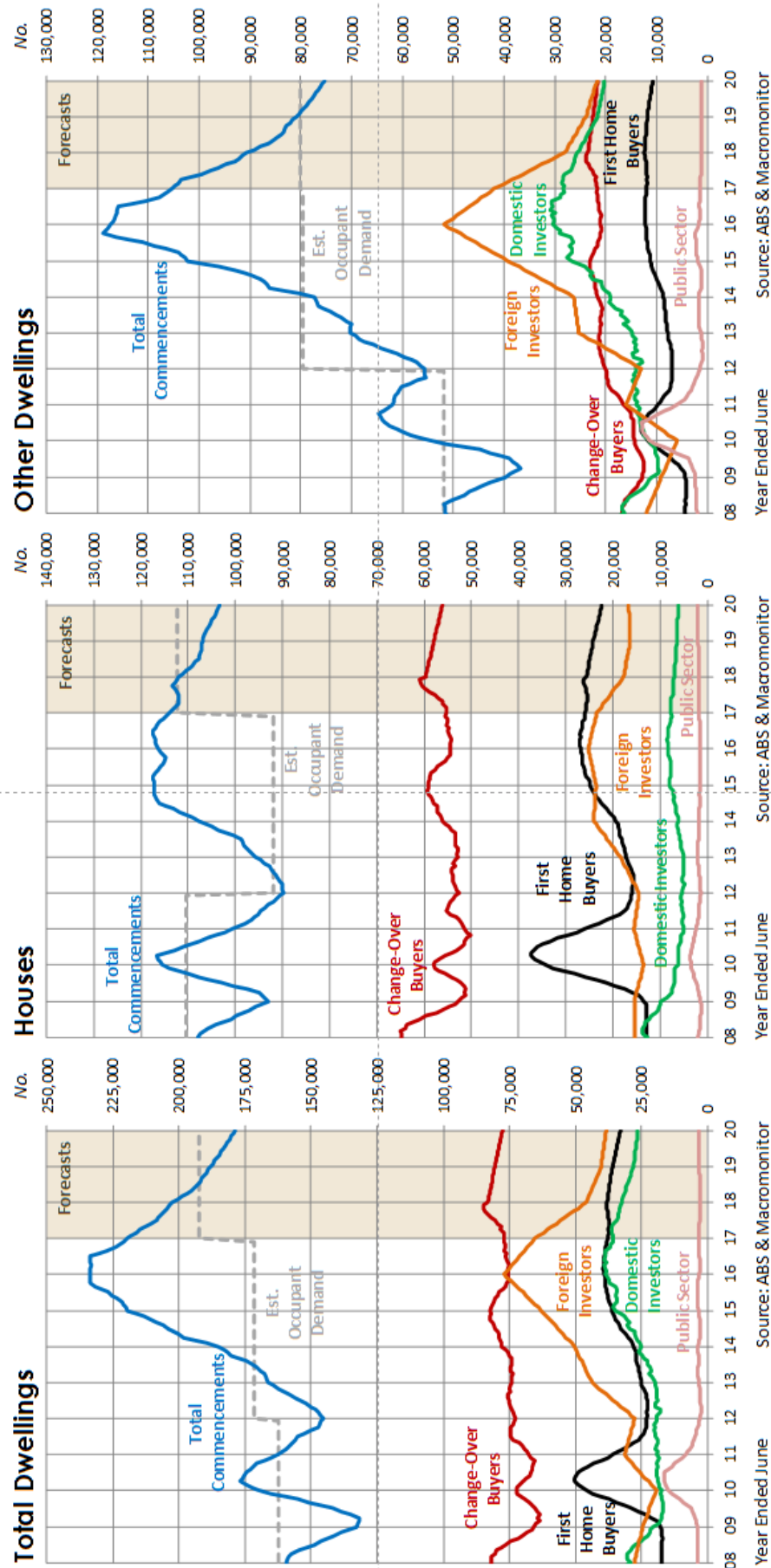
Source: Master Builders Australia, Macromonitor, ABS data.

AUSTRALIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June



Estimated Composition of Dwelling Commencements



AUSTRALIA COMMENTARY – NON-RESIDENTIAL BUILDING

Over the past decade the onset of the mining boom, which took capital resources out of many sectors of the economy, followed by the east coast housing boom, had overshadowed activity in the non-residential sector.

Other than some large public investments into hospitals and universities, the major project pipeline for the non-residential sector has been at a trickle for some time.

That said, non-residential building activity has managed to plod along. In some cases acting as a ballast, as the other sectors tack between housing booms and construction cliffs.

With approvals up consistently since Mid-2016, the next 12 months should see non-residential construction take a more prominent role.

Perhaps even more positive is the fact that this growth in the approvals data has been broad based, with growth supported by strength in office, retail and accommodation sectors.

The latest Building Activity data from the Australian Bureau of Statistics showed the uptick in approvals is beginning to emerge in the value of work done statistics.

Overall, Master Builders' forecasts show the value of work done on non-residential construction projects to grow by 14.6% in 2017-18 and be valued at approximately \$42 billion.

Of this, \$6.9 billion is estimated to come from retail related construction activity. Much of this is supported by an influx of international retailers into Australia – particularly the arrival Amazon and expansions by Costco and Aldi. Future investment in bricks and mortar retail stores may well be dictated by the relative success, and uptake, of these international online retailers.

Offices make the next single biggest contribution, with a strong pipeline of project supporting an expectation for office related construction work to top \$6.8 billion in 2017-18.

Office construction is largely a function of white-collar employment so it should be no surprise that most of the

work is concentrated in the Sydney and Melbourne CBDs and fringe office market locations.

The strength in the \$A has not been enough to scare away international tourists, with the sector recording good growth in 2017. Asia continues to be the strong source of growth with visitor numbers from Japan, South Korea, Malaysia and Hong Kong all particularly strong.

Investment is also being propped up by Asian investors, with total of \$4 billion of projects under construction in the pipeline. Most of this is accounted for in two major projects in Queensland – the \$750 million Dusit Thani Brookwater Golf & Spa Resort in Brisbane, and the \$970 million Jewel development, which is jointly financed by the Wanda Group and Ridong Group and is being built by Brookfield.

Out of the \$11.7 billion in projects waiting in the pipeline, \$9 billion is allocated to major resort projects in Queensland.

Elsewhere, the uptick in the building approvals data for education related construction should be enough to temper any concerns of a slowdown in this sector. Our forecasts show growth of 27.5% in 2017/18, with the value of work done estimated at \$6.2 billion.

Construction is led by the \$247 million Health Innovations Building at the University of SA. The pipeline is also dominated by tertiary related projects, including the planned expansion of the University of Sydney's Westmead Campus, and the reallocation of the University of Tasmania STEM facilities.

On the other hand, health related construction has been healthier. Project completions have outpaced the introduction of new projects for the best part of the past year. The State Government Budgets to be announced soon should provide a much needed sugar hit, but with more projects set for completion than to commence in the next 12 months, we probably haven't yet seen the bottom of the health construction cycle. Total health related construction activity is forecast to fall by 17.9% in 2017-18.

MAJOR NON-RESIDENTIAL PROJECTS - AUSTRALIA

Company	Project	Cost \$m	State
<i>Under construction or committed¹</i>			
Lend Lease Corporation / Sydney Harbour Foreshore Authority	Barangaroo development	6000	New South Wales
Kuok Group / Lang Walker	"Collins Square" - Village Docklands project, 735 Collins st	2500	Victoria
Crown Ltd	Barangaroo, Sydney Harbour - Casion and Hotel	2000	New South Wales
Qld Dept of Health/Sunshine Coast University	Sunshine Coast University Hospital	1872	Queensland
Brookfield Property Partners	Wynyard Precinct	1700	New South Wales
MAB Corporation Pty Ltd / Gibson Property	Merrifield Business Park	1200	Victoria
WA Dept of Health	New Perth Children's Hospital (NCH)	1200	Western Australia
Grocon	Carlton and United Breweries site, Melbourne	1200	Victoria
Ipswich City Properties / Leighton Properties	ICON Ipswich - Ipswich CBD renewal	1000	Queensland
Westralia Airports Corp	Perth Airport: Phase 1 and Phase 2	1000	Western Australia
<i>Under consideration or possible¹</i>			
Western Sydney Airport Alliance / Australian Federal Government	Western Sydney Airport - Badgerys Creek	5000	New South Wales
China-Australia Entrepreneurs Association Incorporated	Airlie beach resort development	5000	Queensland
GKI Resort Pty Ltd	Redevelopment of Great Keppel Island Resort	2000	Queensland
Aquis Resort at the Great Barrier Reef Pty Ltd	Aquis Great Barrier Reef Project - Yorkeys Knob	2000	Queensland
AMP Investments Pty Ltd	Circular Quay Refurbishments	1000	New South Wales
Westfield	Westfield Coomera - Northern Gold Coast	1000	Queensland
Brisbane City Council	Old Peters Ice Cream factory	800	Queensland
Vicinity Centres	Galleria Shopping Centre redevelopment	800	Western Australia
Australia Post and Cbus Property	Melbourne Police Headquarters at 311 Spencer Street	800	Victoria
NSW Dept of Sport and Recreation	ANZ Stadium upgrade - Homebush, Sydney.	750	New South Wales

Source: Deloitte Access Economics

Note: ⁽¹⁾ Projects under construction are those where work has commenced.

Projects where a decision has been announced but construction has not yet started are shown as committed. Projects where a decision to proceed is expected in the near future, or where the projects is in planning but no decision has been announced are deemed either under consideration or possible.

AUSTRALIA COMMENTARY – ENGINEERING CONSTRUCTION

A renewed vigour for infrastructure spending in China has helped to push up commodity prices over the past 6 months.

Work on the \$62 billion Gorgon LNG only wrapped up a few months ago, while the \$34 billion Wheatstone LNG project and the \$42 billion Ichthys LNG project will both likely be in production in the next 12 months.

At this stage it's likely to be the last of the multi-billion resources projects for some time. Investment cycles in the mining industry are long, and with other countries looking to expand their resources production capacity, future large scale investments in Australia are unlikely.

Transport infrastructure investment is slated to pick up just as the pipeline of engineering projects comes to an end. The peak in transport investment is expected to be over \$16 billion in 2018-19.

Major projects in NSW and Victoria lead the way, including the \$16.8 billion Westconnex project and the \$8.3 billion Sydney Metro Northwest rail project in Sydney, and the Western Distributor project in Melbourne. There is also the \$11 billion Melbourne Metro project in the early stages of delivery.

Nationally, there are more than twenty transport related projects worth in excess of \$2 billion either being built or in the pipeline around the country. So despite the big projects in the major capitals hogging the headlines, transport investment is relatively well spread.

These projects are still small in scale and in number when measured against the size and scale of resources related project activity over the past decade, but transport investment comes with some lagging extras.

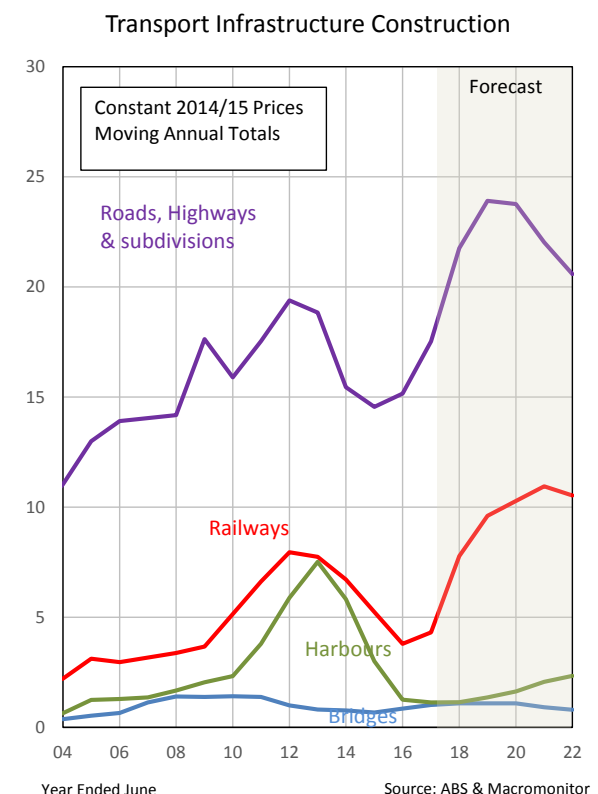
Unlike mining investment, which is generally 'set-and-forget' once construction is complete, roads and railways place a much higher demand on future repair and maintenance activity. And, like housing related construction, transport projects tend to pay greater dividends during construction – through benefits both upstream and downstream in the economy.

Utilities related construction is predicted to have a good year, backed by around 20 major projects underway

across the country. These include a number of big wind and solar projects, as well as a number of substation upgrades, water treatments facilities, and a major gas pipeline being constructed to connect the Surat and Gladstone basins.

But with structural concerns and rising electricity prices causing a nightmare on the PR front (for energy companies and governments alike), where this sector ends up over the medium term is even less predictable than a South Australian households upcoming summer energy bills.

Private investment into new electricity infrastructure has been capped by an uncertain policy environment. The good news is eventually something has to give. The bad news is that we've unlikely seen the last of the political two-step being played as the Government decides how best to guarantee energy supply and reduce cost of living pressures.



MAJOR ENGINEERING CONSTRUCTION PROJECTS - AUSTRALIA

Company	Project	Cost \$m	State
<i>Under construction or committed¹</i>			
NBN Co	high-speed, fibre-based national broadband network (NBN)	49,000	Unallocated
Inpex Ichthys joint venture	Ichthys gas field, Browse Basin, and LNG facility in Darwin	45,000	Northern Territory
Wheatstone joint venture	Wheatstone LNG project	34,000	Western Australia
NSW Roads and Maritime Services	WestConnex project - M4 east extension and M5 duplication	16,800	New South Wales
Prelude joint venture	Prelude LNG project - floating LNG platform, Browse Basin	12,000	Western Australia
NSW State Rail Authority	Sydney Metro City and Southwest Project - Stage 2 Sydney Metro	12,000	New South Wales
Vic Dept of Transport	Melbourne Metro Rail Project	10,900	Victoria
NSW State Rail Authority	Sydney Metro Northwest - Stage 1 of Sydney Metro	8,300	New South Wales
Transurban	West Gate Tunnel Project	5,500	Victoria
Qld Dept of Transport and Main Roads	Cross River Rail -	5,400	Queensland
<i>Under consideration or possible¹</i>			
Adani Mining Pty Ltd	Carmichael Coal Project, Galilee Basin	21,700	Queensland
Greater Sunrise joint venture	Greater Sunrise LNG project	13,000	Northern Territory
NSW State Rail Authority	Sydney Metro West	10,400	New South Wales
BHP Petroleum and ExxonMobil	Scarborough FLNG project	10,000	Western Australia
VicRoads	North East Link - "Missing Link"	10,000	Victoria
Australian Rail Track Corporation Ltd	Inland Rail - Melbourne to Brisbane rail link	10,000	Unallocated
Gorgon joint venture	Gorgon LNG project (fourth liquefaction train) , Barrow Island	10,000	Western Australia
Waratah Coal	China First Coal Project, Galilee Basin	8,800	Queensland
Hancock Prospecting	Alpha Coal Project	8,200	Queensland
Aurizon / Baosteel	West Pilbara iron ore project	7,400	Western Australia

Source: Deloitte Access Economics

Note: (1) Projects under construction are those where work has commenced.

Projects where a decision has been announced but construction has not yet started are shown as committed. Projects where a decision to proceed is expected in the near future, or where the projects is in planning but no decision has been announced are deemed either under consideration or possible.

AUSTRALIA - NUMBER OF DWELLING COMMENCEMENTS BY SECTOR BY STATE

Year Ended June

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
NEW SOUTH WALES												
Residential Building	33,222	32,309	30,827	41,659	46,888	57,341	68,560	71,564	58,744	51,778	48,758	48,901
%ch	38.0%	-2.7%	-4.6%	35.1%	12.6%	22.3%	19.6%	4.4%	-17.9%	-11.9%	-5.8%	0.3%
Houses	17,646	16,040	15,594	18,450	21,614	25,166	27,106	29,089	24,477	22,188	22,394	22,818
%ch	30.8%	-9.1%	-2.8%	18.3%	17.1%	16.4%	7.7%	7.3%	-15.9%	-9.4%	0.9%	1.9%
Other Dwellings	15,576	16,269	15,233	23,209	25,274	32,175	41,454	42,475	34,266	29,589	26,364	26,083
%ch	47.2%	4.4%	-6.4%	52.4%	8.9%	27.3%	28.8%	2.5%	-19.3%	-13.6%	-10.9%	-1.1%
VICTORIA												
Residential Building	54,955	59,113	50,568	50,763	51,516	64,928	68,730	63,723	57,766	55,112	55,214	54,518
%ch	31.1%	7.6%	-14.5%	0.4%	1.5%	26.0%	5.9%	-7.3%	-9.3%	-4.6%	0.2%	-1.3%
Houses	37,977	34,889	30,134	27,980	29,460	32,341	35,564	35,394	32,695	31,803	32,424	31,900
%ch	24.2%	-8.1%	-13.6%	-7.1%	5.3%	9.8%	10.0%	-0.5%	-7.6%	-2.7%	2.0%	-1.6%
Other Dwellings	16,978	24,224	20,434	22,783	22,056	32,587	33,166	28,329	25,071	23,310	22,790	22,618
%ch	49.6%	42.7%	-15.6%	11.5%	-3.2%	47.7%	1.8%	-14.6%	-11.5%	-7.0%	-2.2%	-0.8%
QUEENSLAND												
Residential Building	35,278	29,296	28,464	29,875	36,049	45,172	48,830	42,036	36,055	38,096	41,222	42,829
%ch	19.7%	-17.0%	-2.8%	5.0%	20.7%	25.3%	8.1%	-13.9%	-14.2%	5.7%	8.2%	3.9%
Houses	24,601	19,439	18,164	18,533	19,828	23,174	23,230	23,051	20,714	22,389	24,385	25,360
%ch	20.4%	-21.0%	-6.6%	2.0%	7.0%	16.9%	0.2%	-0.8%	-10.1%	8.1%	8.9%	4.0%
Other Dwellings	10,677	9,857	10,300	11,342	16,221	21,998	25,600	18,984	15,341	15,707	16,837	17,470
%ch	18.3%	-7.7%	4.5%	10.1%	43.0%	35.6%	16.4%	-25.8%	-19.2%	2.4%	7.2%	3.8%
SOUTH AUSTRALIA												
Residential Building	12,314	10,967	9,148	8,877	10,949	10,596	10,977	10,421	9,846	9,879	10,298	10,361
%ch	1.4%	-10.9%	-16.6%	-3.0%	23.3%	-3.2%	3.6%	-5.1%	-5.5%	0.3%	4.2%	0.6%
Houses	9,681	8,258	6,939	6,423	8,117	7,729	7,681	7,507	7,083	7,279	7,613	7,664
%ch	3.7%	-14.7%	-16.0%	-7.4%	26.4%	-4.8%	-0.6%	-2.3%	-5.7%	2.8%	4.6%	0.7%
Other Dwellings	2,633	2,709	2,209	2,454	2,832	2,867	3,296	2,914	2,763	2,600	2,685	2,697
%ch	-6.3%	2.9%	-18.5%	11.1%	15.4%	1.2%	15.0%	-11.6%	-5.2%	-5.9%	3.3%	0.5%
WESTERN AUSTRALIA												
Residential Building	25,502	20,981	17,861	24,473	29,316	31,602	25,482	19,591	18,204	17,998	19,078	20,125
%ch	37.3%	-17.7%	-14.9%	37.0%	19.8%	7.8%	-19.4%	-23.1%	-7.1%	-1.1%	6.0%	5.5%
Houses	20,078	17,055	14,729	18,764	22,820	23,520	18,078	14,457	13,361	12,946	13,667	14,516
%ch	35.3%	-15.1%	-13.6%	27.4%	21.6%	3.1%	-23.1%	-20.0%	-7.6%	-3.1%	5.6%	6.2%
Other Dwellings	5,424	3,926	3,132	5,709	6,496	8,082	7,404	5,134	4,844	5,052	5,411	5,609
%ch	45.4%	-27.6%	-20.2%	82.3%	13.8%	24.4%	-8.4%	-30.7%	-5.7%	4.3%	7.1%	3.7%
TASMANIA												
Residential Building	3,221	3,064	2,268	1,878	1,934	2,836	2,424	1,958	1,908	2,015	2,117	2,187
%ch	9.2%	-4.9%	-26.0%	-17.2%	3.0%	46.6%	-14.5%	-19.2%	-2.6%	5.6%	5.1%	3.3%
Houses	2,570	2,198	1,740	1,497	1,623	2,326	2,026	1,623	1,600	1,679	1,753	1,808
%ch	5.2%	-14.5%	-20.8%	-14.0%	8.4%	43.3%	-12.9%	-19.9%	-1.4%	5.0%	4.4%	3.1%
Other Dwellings	651	866	528	381	311	510	398	335	308	335	364	379
%ch	28.9%	33.0%	-39.0%	-27.8%	-18.4%	64.0%	-22.0%	-15.9%	-8.1%	9.0%	8.5%	4.3%
NORTHERN TERRITORY												
Residential Building	1,358	1,663	1,620	2,333	2,040	1,959	1,587	1,094	1,074	1,098	1,181	1,277
%ch	36.1%	22.5%	-2.6%	44.0%	-12.6%	-4.0%	-19.0%	-31.0%	-1.9%	2.2%	7.5%	8.2%
Houses	830	798	841	821	880	868	888	773	689	703	739	786
%ch	22.4%	-3.9%	5.4%	-2.4%	7.2%	-1.4%	2.3%	-13.0%	-10.8%	2.0%	5.1%	6.4%
Other Dwellings	528	865	779	1,512	1,160	1,091	699	322	385	395	442	491
%ch	65.0%	63.8%	-9.9%	94.1%	-23.3%	-5.9%	-35.9%	-54.0%	19.6%	2.8%	11.7%	11.1%
ACT												
Residential Building	4,425	5,106	4,595	4,499	4,235	4,052	5,106	5,081	3,797	3,604	3,625	3,766
%ch	67.6%	15.4%	-10.0%	-2.1%	-5.9%	-4.3%	26.0%	-0.5%	-25.3%	-5.1%	0.6%	3.9%
Houses	2,203	1,869	1,696	1,872	1,616	1,538	1,031	1,208	1,070	1,150	1,227	1,274
%ch	66.1%	-15.2%	-9.3%	10.4%	-13.7%	-4.8%	-33.0%	17.2%	-11.4%	7.4%	6.7%	3.8%
Other Dwellings	2,222	3,237	2,899	2,627	2,619	2,514	4,075	3,873	2,726	2,454	2,397	2,492
%ch	69.1%	45.7%	-10.4%	-9.4%	-0.3%	-4.0%	62.1%	-5.0%	-29.6%	-10.0%	-2.3%	4.0%
AUSTRALIA												
Residential Building	170,271	162,499	145,350	164,355	182,929	218,485	231,697	215,470	187,394	179,580	181,492	183,965
%ch	28.3%	-4.6%	-10.6%	13.1%	11.3%	19.4%	6.0%	-7.0%	-13.0%	-4.2%	1.1%	1.4%
Houses	115,586	100,549	89,837	94,342	105,958	116,661	115,602	113,103	101,690	100,136	104,203	106,125
%ch	24.1%	-13.0%	-10.7%	5.0%	12.3%	10.1%	-0.9%	-2.2%	-10.1%	-1.5%	4.1%	1.8%
Other Dwellings	54,685	61,950	55,513	70,013	76,971	101,824	116,095	102,367	85,704	79,444	77,289	77,840
%ch	38.0%	13.3%	-10.4%	26.1%	9.9%	32.3%	14.0%	-11.8%	-16.3%	-7.3%	-2.7%	0.7%

Source: Master Builders Australia, Macromonitor, ABS data.

DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
Other dwellings	A building other than a house primarily used for long-term residential purposes and which contains (or has attached to it) more than one dwelling unit (e.g. includes blocks of flats, home units, attached townhouses, semi-detached houses, maisonettes, duplexes, apartment buildings, etc.).
Alterations and Additions	Building activity carried out on existing buildings. Includes adding to or diminishing floor area, altering the structural design of a building and affixing rigid components which are integral to the functioning of the building.
Non-residential building	
Non-residential building	A non-residential building is primarily intended for purposes other than long term residential purposes
Retail & wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Transport buildings	Buildings primarily used in the provision of transport services, and includes the following categories: Passenger transport buildings (e.g. passenger terminals), Non-passenger transport buildings (e.g. freight terminals), Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments), Other transport buildings n.e.c.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other commercial	Building not included in commercial categories above.
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.
Agriculture and aquaculture	Buildings housing, or associated with, agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, grain silo, shearers' quarters).
Other industrial	Building not included in industrial categories listed above.
Education	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Religion	Buildings used for or associated with worship, or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, dormitories).
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Health facilities (non-aged care)	Buildings used in the provision of non-aged care medical services (e.g. nurses quarters, laboratories, clinics).
Entertainment & Recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Accommodation	Buildings primarily providing short-term or temporary accommodation, and includes the following categories: Self-contained, short term apartments (e.g. serviced apartments), Hotels (predominantly accommodation), motels, boarding houses, cabins, Other short term accommodation n.e.c. (e.g. migrant hostels, youth hostels, lodges).
Other non-residential	Building not included in categories listed above.
Engineering Construction	
Transport	Includes roads, bridges, railways, harbours
Utilities	Includes water, wastewater, electricity, gas pipelines, telecommunications
Resources	Includes oil, gas and other hydrocarbons; bauxite, alumina and aluminium; coal and coal handling; other minerals and heavy industry.
Other engineering construction	Construction of facilities not involved in categories listed above.

Disclaimer

While every care has been taken in preparing this document, Master Builders Australia will not accept responsibility for actions taken in reliance upon information contained in this document.

The forecasts presented in this publication were developed. The forecasts presented in this publication are subject to unavoidable statistical variation. While all care has been taken to ensure that the statistical variation is kept to a minimum, care should be taken whenever using this information. The interpretation and conclusions presented in this publication are those of the author(s).



MASTER BUILDERS
AUSTRALIA

BUILDING & CONSTRUCTION

Industry Forecasts

NEW SOUTH WALES

December 2017



Master Builder of the Year 2017, Lendlease:
International Convention Centre

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MASTER BUILDERS
A U S T R A L I A

INTRODUCTION

Master Builders is the peak national association for the building and construction industry in Australia. Master Builders' primary role is to champion the interests of the building and construction industry, representing residential and commercial building, and engineering construction.

Master Builders has more than 33,000 member companies with representation in every State and Territory in Australia, the great majority of which, by number, are small to medium sized enterprises. Master Builders' membership consists of large national, international, residential and commercial builders and civil contractors through to smaller local subcontracting firms, as well as suppliers and professional industry advisers. Membership of Master Builders represents 95 per cent of all sectors of the building and construction industry.

The building and construction industry is the second largest industry in Australia, accounting for 8.1 per cent of Gross Domestic Product and provides jobs for close to 1.1 million Australians – 8.9 per cent of total employment in Australia.

Owner-occupied housing and other property investments account for over two-thirds of the asset portfolio and wealth of ordinary Australians.

The building and construction industry is made up of approximately 345,000 businesses of which 95 per cent are small businesses and independent contractors. Combined, these businesses employ 670,000 workers including 70,000 apprentices.

These forecasts have been prepared in conjunction with Macromonitor Pty Ltd. Macromonitor is one of Australia's leading industry research and forecasting firms, specialising in the building and construction sector.

For more information see www.masterbuilders.com.au, or send enquiries to enquiries@masterbuilders.com.au

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NEW SOUTH WALES – COMMENTARY

BOUNCING FROM BOOM TO BOOM

New South Wales has benefitted more than most from lower interest rates and high house prices. As the state with the most (and the most indebted) mortgage holders in the country NSW is has the most to gain from record low interest rates. It also has the most to lose from the wind down in residential construction activity and a possible moderation in house prices.

The housing boom has been great for the State Government coffers, with stamp duties on residential property returning record revenues and, combined with asset recycling, has unlocked a big chunk of Federal Government money for new investments. The latter is slated to unlock funding for a number of big transport and utilities infrastructure projects over the next couple of years.

A number of the underlying economic indicators for NSW are still solid. Growth in retail trade remains above the national average, car sales are strong, and new housing finance remains high relative the average of the past decade; suggesting people's spending power is still relatively healthy.

But not even the Sydney housing market can defy gravity forever. The latest ABS Residential Property Price Index (RPPI) data shows house prices in Sydney are already beginning to moderate.

Construction cycles tend to follow price cycles so this recent moderation in house prices is expected to manifest in lower rates of new housing construction over the next few years. From an expected peak in 2017-18 of just over \$58 billion, the value of work done in the building and construction industry in NSW is expected to fall thereafter and decline on a relatively steady path over the following four years.

The number of residential building approvals fell considerably in the second half of 2017, supporting an outlook for a more subdued year for new housing construction in 2017-18 and beyond. Having said that, it is worth keeping in mind that this is coming from an extraordinary boom for residential building, particularly in Sydney. High population growth and cheap credit are anticipated to keep new housing starts well above the historical average over the next couple of years.

The pipeline of non-residential construction projects is as healthy as it has been for some time and is expected to support a more positive outlook. The \$6 billion development at Barangaroo is the largest single non-residential building project in the pipeline and will continue to prop up construction work in Sydney until it's completed in 2020. With non-residential building approvals up by nearly 20% over the past year, there's plenty more to come. Despite showing a decline in terms of growth after 2018-19, the value of non-residential work done over the next five years is expected to be more than \$10 billion higher than the previous five years – slated to support an extra 10,000 jobs in the sector.

Engineering construction activity will be dominated by a number of State/Commonwealth Government funded transport projects in Sydney, led by the massive \$16.8 billion Westconnex project – the largest road project in the country – plus the \$8.3 billion Sydney Northwest project – the largest rail project underway in the country. Around half of the total combined value of national transport projects under construction is currently account for in NSW.

A more aggressive shakeout in the housing sector remains the key downside risk in NSW, but the more likely scenarios is that activity moderates over the next couple of years as the interest rates cycle turns and high population growth keeps up demand for new housing.

NEW SOUTH WALES FORECASTS

Year Ended June	2017-18	2018-19	2019-20	2020-21	2021-22
Number Commenced					
Residential Building	59,172	51,442	49,342	50,454	48,176
%ch	-19.1%	-13.1%	-4.1%	2.3%	-4.5%
Value of Work Done					
<i>\$M, chain volume measures, constant 2014/15 prices</i>					
Total Building & Construction	58,234	57,473	55,345	54,552	52,356
%ch	10.4%	-1.3%	-3.7%	-1.4%	-4.0%
Residential Building	22,438	19,607	18,458	18,631	18,556
%ch	-4.3%	-12.6%	-5.9%	0.9%	-0.4%
Non-Residential Building	13,362	13,054	12,460	11,900	11,071
%ch	25.6%	-2.3%	-4.5%	-4.5%	-7.0%
Engineering Construction	22,435	24,812	24,427	24,021	22,729
%ch	20.2%	10.6%	-1.6%	-1.7%	-5.4%

Source: Master Builders Australia, Macromonitor, ABS data.

NSW GRAPHS & TABLES – RESIDENTIAL BUILDING

NEW SOUTH WALES – RESIDENTIAL BUILDING WORK DONE BY SECTOR

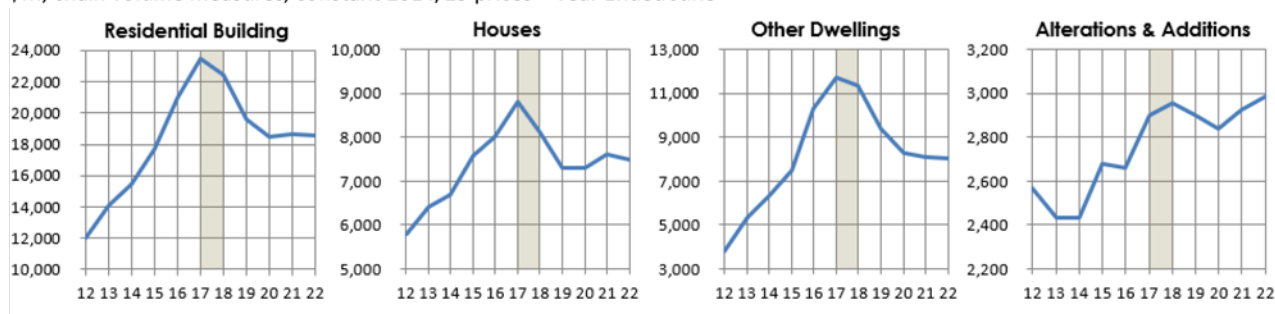
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	12,968	12,028	14,127	15,437	17,718	20,949	23,454	22,438	19,607	18,458	18,631	18,556
%ch	8.4%	-7.2%	17.4%	9.3%	14.8%	18.2%	12.0%	-4.3%	-12.6%	-5.9%	0.9%	-0.4%
Houses	6,128	5,760	6,425	6,676	7,576	8,000	8,817	8,145	7,317	7,310	7,617	7,503
%ch	2.2%	-6.0%	11.6%	3.9%	13.5%	5.6%	10.2%	-7.6%	-10.2%	-0.1%	4.2%	-1.5%
Other Dwellings	4,127	3,816	5,307	6,333	7,463	10,289	11,737	11,335	9,391	8,307	8,087	8,068
%ch	19.2%	-7.5%	39.1%	19.3%	17.8%	37.9%	14.1%	-3.4%	-17.2%	-11.5%	-2.6%	-0.2%
Alterations & Additions	2,834	2,566	2,430	2,435	2,678	2,659	2,900	2,958	2,899	2,841	2,926	2,985
%ch	6.7%	-9.5%	-5.3%	0.2%	10.0%	-0.7%	9.1%	2.0%	-2.0%	-2.0%	3.0%	2.0%

Source: Master Builders Australia, Macromonitor, ABS data.

NEW SOUTH WALES – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



NEW SOUTH WALES – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

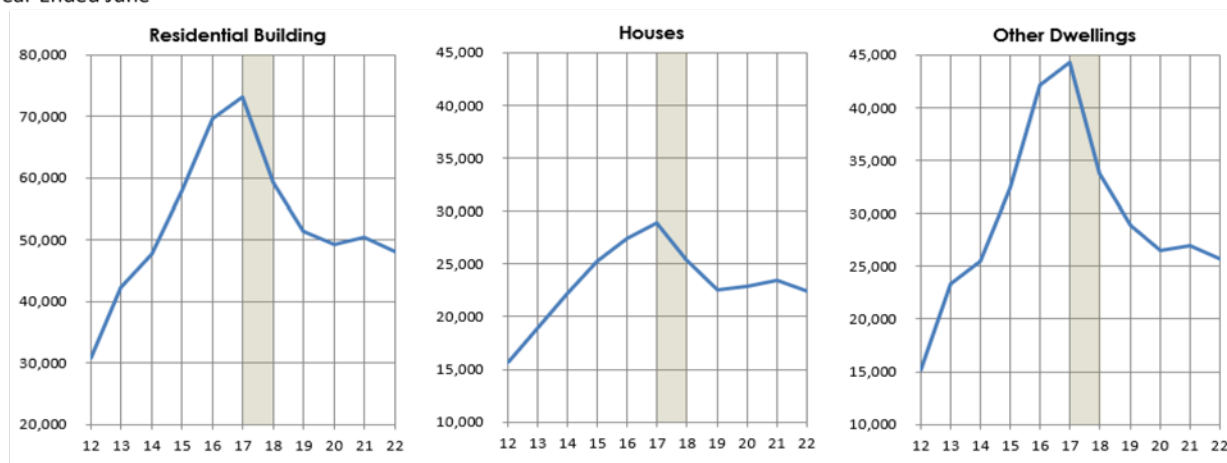
Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	32,309	30,827	42,286	47,652	57,746	69,601	73,132	59,172	51,442	49,342	50,454	48,176
%ch	-2.7%	-4.6%	37.2%	12.7%	21.2%	20.5%	5.1%	-19.1%	-13.1%	-4.1%	2.3%	-4.5%
Houses	16,040	15,594	18,951	22,155	25,309	27,461	28,870	25,434	22,526	22,858	23,507	22,402
%ch	-9.1%	-2.8%	21.5%	16.9%	14.2%	8.5%	5.1%	-11.9%	-11.4%	1.5%	2.8%	-4.7%
Other Dwellings	16,269	15,233	23,335	25,497	32,437	42,140	44,262	33,739	28,916	26,484	26,947	25,774
%ch	4.4%	-6.4%	53.2%	9.3%	27.2%	29.9%	5.0%	-23.8%	-14.3%	-8.4%	1.7%	-4.4%

Source: Master Builders Australia, Macromonitor, ABS data.

NEW SOUTH WALES – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June

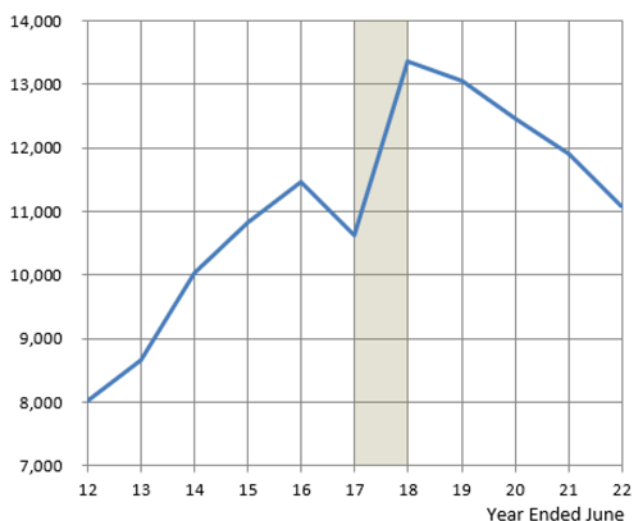


NSW GRAPHS & TABLES – NON-RESIDENTIAL BUILDING

NSW Non-Residential Building Work Done 2016/17



Non-Residential Building (\$M)



NEW SOUTH WALES – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

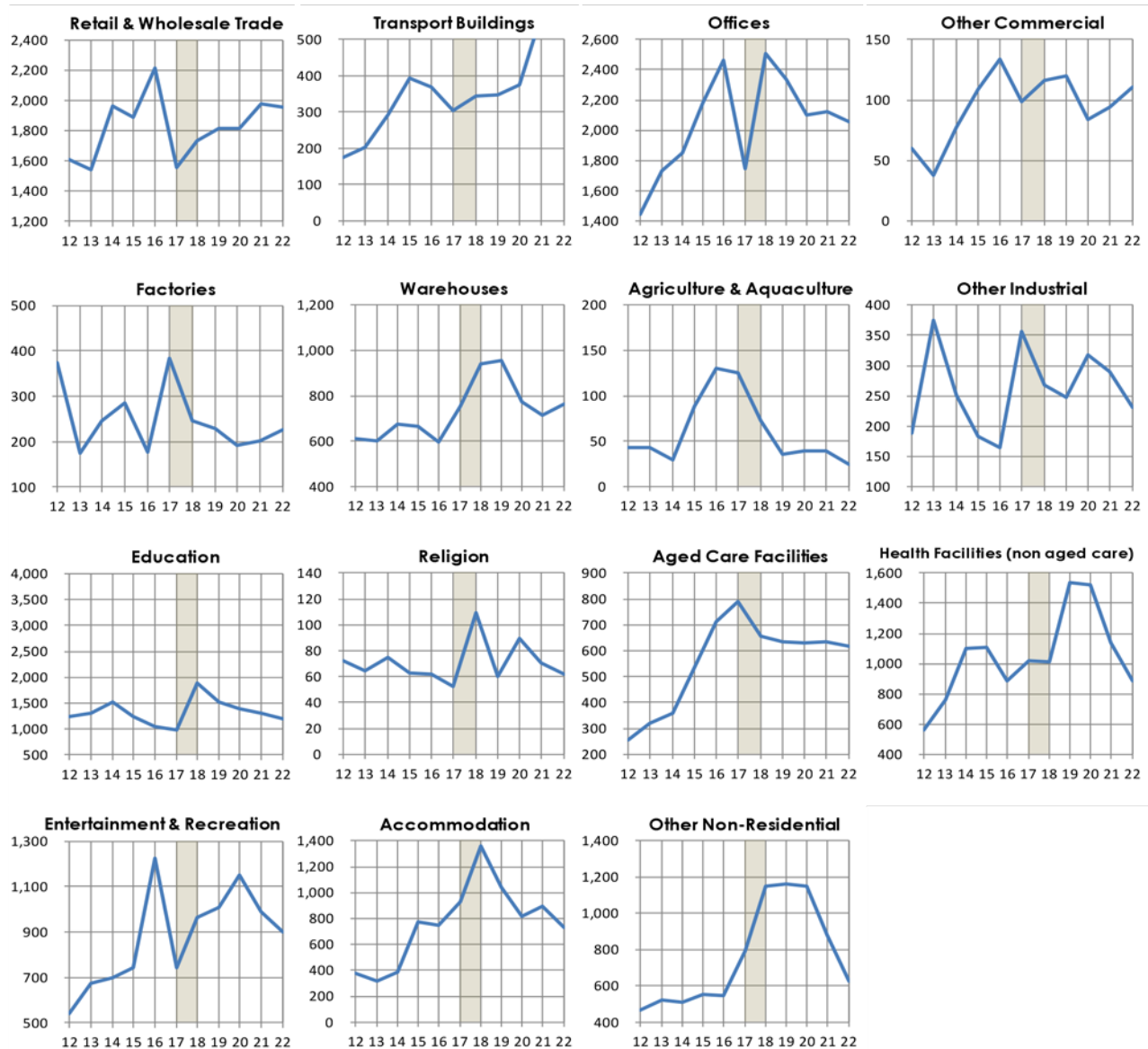
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Residential Building	10,413	8,033	8,662	10,039	10,821	11,460	10,635	13,362	13,054	12,460	11,900	11,071
%ch	-5.7%	-22.9%	7.8%	15.9%	7.8%	5.9%	-7.2%	25.6%	-2.3%	-4.5%	-4.5%	-7.0%
Retail & wholesale trade	1,981	1,609	1,540	1,960	1,891	2,213	1,557	1,736	1,818	1,814	1,975	1,953
%ch	4.2%	-18.8%	-4.3%	27.3%	-3.5%	17.0%	-29.6%	11.5%	4.8%	-0.2%	8.9%	-1.1%
Transport buildings	121	176	203	292	393	368	304	345	346	374	566	673
%ch	-22.9%	45.8%	15.6%	43.7%	34.5%	-6.3%	-17.3%	13.4%	0.4%	7.8%	51.4%	18.9%
Offices	1,697	1,442	1,730	1,849	2,180	2,459	1,745	2,507	2,338	2,103	2,120	2,055
%ch	5.5%	-15.1%	20.0%	6.9%	17.9%	12.8%	-29.0%	43.7%	-6.7%	-10.0%	0.8%	-3.1%
Other commercial	90	60	38	77	109	134	99	116	120	84	94	111
%ch	-45.7%	-34.0%	-36.1%	103.1%	40.3%	22.9%	-26.0%	17.6%	3.3%	-30.2%	11.5%	18.2%
Factories	252	375	176	246	284	178	384	247	229	193	201	227
%ch	-13.1%	48.6%	-53.1%	39.7%	15.6%	-37.5%	116.2%	-35.8%	-7.2%	-15.7%	4.4%	13.1%
Warehouses	564	612	603	674	667	595	755	942	957	772	715	763
%ch	62.5%	8.5%	-1.5%	11.6%	-0.9%	-10.9%	26.9%	24.7%	1.6%	-19.3%	-7.4%	6.8%
Agriculture and aquaculture	17	43	43	30	89	130	125	73	35	39	39	24
%ch	-61.6%	145.4%	1.5%	-30.9%	197.6%	46.2%	-3.8%	-42.0%	-51.3%	11.7%	-1.8%	-37.5%
Other industrial	128	189	374	250	183	165	355	268	248	318	289	232
%ch	-7.9%	47.1%	98.3%	-33.1%	-26.9%	-10.1%	116.0%	-24.6%	-7.4%	28.3%	-9.1%	-20.0%
Education	3,014	1,251	1,296	1,531	1,243	1,038	980	1,882	1,522	1,402	1,299	1,207
%ch	-21.1%	-58.5%	3.6%	18.1%	-18.8%	-16.5%	-5.6%	92.0%	-19.1%	-7.9%	-7.3%	-7.1%
Religion	91	72	64	75	63	62	52	110	60	89	71	62
%ch	120.9%	-20.9%	-11.3%	17.2%	-16.3%	-1.0%	-16.4%	110.2%	-44.9%	48.2%	-21.0%	-11.9%
Aged care facilities	303	257	321	358	535	714	789	654	635	629	635	617
%ch	-26.7%	-15.1%	24.7%	11.5%	49.5%	33.5%	10.6%	-17.1%	-2.8%	-1.1%	1.1%	-2.9%
Health (non-aged care)	759	560	762	1,098	1,111	887	1,022	1,012	1,537	1,524	1,135	886
%ch	-10.7%	-26.2%	36.0%	44.1%	1.2%	-20.2%	15.3%	-1.0%	51.9%	-0.9%	-25.5%	-21.9%
Entertainment & Recreation	683	542	674	701	745	1,223	745	964	1,006	1,152	989	900
%ch	9.7%	-20.7%	24.3%	4.1%	6.4%	64.1%	-39.1%	29.4%	4.4%	14.5%	-14.2%	-9.0%
Accommodation	259	380	317	388	772	746	927	1,360	1,041	820	895	734
%ch	14.3%	46.7%	-16.5%	22.4%	99.0%	-3.4%	24.2%	46.8%	-23.5%	-21.2%	9.1%	-18.0%
Other non-residential	451	466	521	510	556	549	796	1,148	1,161	1,148	878	628
%ch	10.5%	3.4%	11.6%	-2.0%	8.9%	-1.2%	45.0%	44.2%	1.1%	-1.1%	-23.6%	-28.5%

Source: Master Builders Australia, Macromonitor, ABS data.

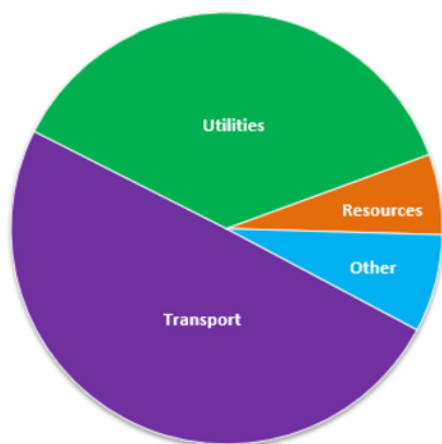
NEW SOUTH WALES – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June

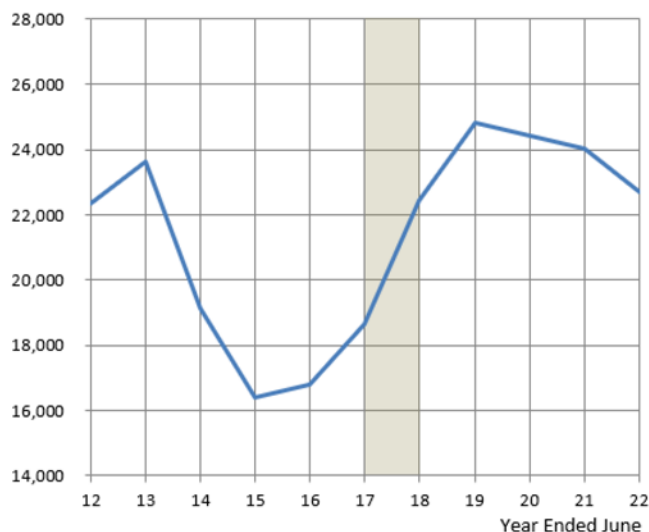


NSW GRAPHS & TABLES – ENGINEERING CONSTRUCTION

NSW Engineering Construction Work Done 2016/17



Engineering Construction (\$M)



NEW SOUTH WALES – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

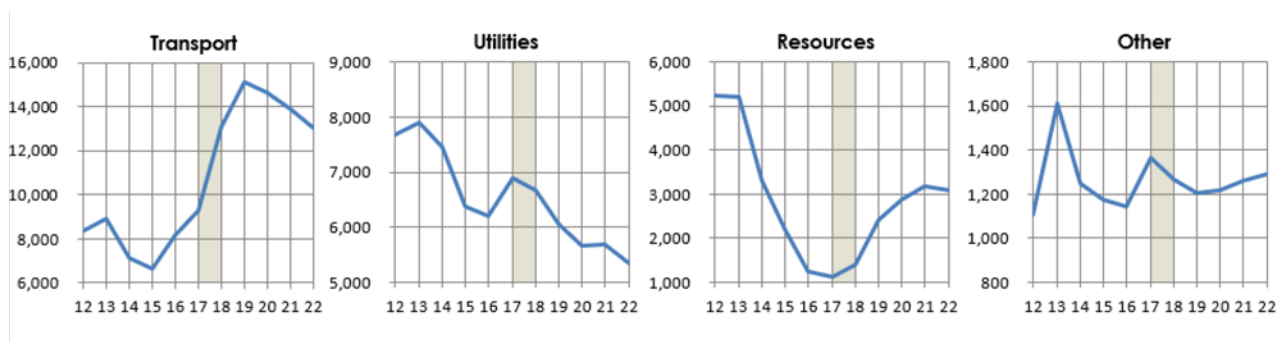
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Engineering Construction	19,831	22,371	23,637	19,130	16,382	16,805	18,658	22,435	24,812	24,427	24,021	22,729
%ch	11.7%	12.8%	5.7%	-19.1%	-14.4%	2.6%	11.0%	20.2%	10.6%	-1.6%	-1.7%	-5.4%
Transport	8,674	8,363	8,929	7,110	6,627	8,207	9,269	13,108	15,141	14,656	13,882	13,008
%ch	29.8%	-3.6%	6.8%	-20.4%	-6.8%	23.9%	12.9%	41.4%	15.5%	-3.2%	-5.3%	-6.3%
Utilities	6,834	7,670	7,889	7,455	6,379	6,198	6,895	6,675	6,067	5,668	5,698	5,333
%ch	-6.3%	12.2%	2.9%	-5.5%	-14.4%	-2.8%	11.3%	-3.2%	-9.1%	-6.6%	0.5%	-6.4%
Resources	3,318	5,232	5,206	3,318	2,203	1,257	1,126	1,386	2,399	2,884	3,179	3,099
%ch	22.5%	57.7%	-0.5%	-36.3%	-33.6%	-43.0%	-10.4%	23.1%	73.1%	20.2%	10.2%	-2.5%
Other	1,005	1,106	1,612	1,247	1,172	1,143	1,367	1,266	1,206	1,219	1,262	1,289
%ch	-5.4%	10.1%	45.7%	-22.7%	-5.9%	-2.5%	19.6%	-7.4%	-4.7%	1.1%	3.6%	2.2%

Source: Master Builders Australia, Macromonitor, ABS data.

NEW SOUTH WALES – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
Other dwellings	A building other than a house primarily used for long-term residential purposes and which contains (or has attached to it) more than one dwelling unit (e.g. includes blocks of flats, home units, attached townhouses, semi-detached houses, maisonettes, duplexes, apartment buildings, etc.).
Alterations and Additions	Building activity carried out on existing buildings. Includes adding to or diminishing floor area, altering the structural design of a building and affixing rigid components which are integral to the functioning of the building.
Non-residential building	
Non-residential building	A non-residential building is primarily intended for purposes other than long term residential purposes
Retail & wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Transport buildings	Buildings primarily used in the provision of transport services, and includes the following categories: Passenger transport buildings (e.g. passenger terminals), Non-passenger transport buildings (e.g. freight terminals), Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments), Other transport buildings n.e.c.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other commercial	Building not included in commercial categories above.
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.
Agriculture and aquaculture	Buildings housing, or associated with, agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, grain silo, shearers' quarters).
Other industrial	Building not included in industrial categories listed above.
Education	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Religion	Buildings used for or associated with worship, or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, dormitories).
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Health facilities (non-aged care)	Buildings used in the provision of non-aged care medical services (e.g. nurses quarters, laboratories, clinics).
Entertainment & Recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Accommodation	Buildings primarily providing short-term or temporary accommodation, and includes the following categories: Self-contained, short term apartments (e.g. serviced apartments), Hotels (predominantly accommodation), motels, boarding houses, cabins, Other short term accommodation n.e.c. (e.g. migrant hostels, youth hostels, lodges).
Other non-residential	Building not included in categories listed above.
Engineering Construction	
Transport	Includes roads, bridges, railways, harbours
Utilities	Includes water, wastewater, electricity, gas pipelines, telecommunications
Resources	Includes oil, gas and other hydrocarbons; bauxite, alumina and aluminium; coal and coal handling; other minerals and heavy industry.
Other engineering construction	Construction of facilities not involved in categories listed above.

Disclaimer

While every care has been taken in preparing this document, Master Builders Australia will not accept responsibility for actions taken in reliance upon information contained in this document.

The forecasts presented in this publication were developed. The forecasts presented in this publication are subject to unavoidable statistical variation. While all care has been taken to ensure that the statistical variation is kept to a minimum, care should be taken whenever using this information. The interpretation and conclusions presented in this publication are those of the author(s).



MASTER BUILDERS
AUSTRALIA

BUILDING & CONSTRUCTION

Industry Forecasts

VICTORIA

December 2017



National Project Home Award under \$350,000
Cameron Construction

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MASTER BUILDERS
A U S T R A L I A

INTRODUCTION

Master Builders is the peak national association for the building and construction industry in Australia. Master Builders' primary role is to champion the interests of the building and construction industry, representing residential and commercial building, and engineering construction.

Master Builders has more than 33,000 member companies with representation in every State and Territory in Australia, the great majority of which, by number, are small to medium sized enterprises. Master Builders' membership consists of large national, international, residential and commercial builders and civil contractors through to smaller local subcontracting firms, as well as suppliers and professional industry advisers. Membership of Master Builders represents 95 per cent of all sectors of the building and construction industry.

The building and construction industry is the second largest industry in Australia, accounting for 8.1 per cent of Gross Domestic Product and provides jobs for close to 1.1 million Australians – 8.9 per cent of total employment in Australia.

Owner-occupied housing and other property investments account for over two-thirds of the asset portfolio and wealth of ordinary Australians.

The building and construction industry is made up of approximately 345,000 businesses of which 95 per cent are small businesses and independent contractors. Combined, these businesses employ 670,000 workers including 70,000 apprentices.

These forecasts have been prepared in conjunction with Macromonitor Pty Ltd. Macromonitor is one of Australia's leading industry research and forecasting firms, specialising in the building and construction sector.

For more information see www.masterbuilders.com.au, or send enquiries to enquiries@masterbuilders.com.au

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VICTORIA – COMMENTARY

POPULATION AND TRANSPORT INVESTMENT TO DRIVE GROWTH

Migration patterns have been firmly in Victoria's favour in the past couple of years. The end of the mining boom and high international migration has seen Victoria, and particular Melbourne, become the migration capital of Australia. The latter has been good for all parts of the economy, propping up retail sales and activity in Melbourne's cafes and restaurants. But perhaps the biggest beneficiary has been the residential building sector.

Victoria is 20 per cent smaller than NSW, but recent new residential building approvals data has been higher (in absolute terms) in Victoria than in NSW – and in any other states for that matter.

Despite moving up a bit recently, exchange rates remain supportive to the states large manufacturing sector, while low interest rates continue to pump up the value of work done in the residential building sector.

Victoria remains the only State to record population grow at a higher than the national average. In fact, population growth in Victoria over the past 12 months, at 2.4%, is well above the national average of 1.6%.

Job growth has also been above the national average over the past year, again due to high population growth and the multiplier effects this generates in the labour market. The unemployment rate is above the national average, but this is expected as new residents take time to settle and find jobs. Over time we expect the unemployment rate to fall.

The table across shows an expectation for residential construction to moderate over the next three years. However, strength in house prices, low vacancy rates, and (you guessed it) high population growth should put a floor under the level of new activity over the medium term outlook.

Most of the fall in residential construction activity will come from the apartments market in Melbourne. This is perhaps not a bad thing considering the level of activity over the past few years. But it is worth noting that the trough in the cycle is expected to be short-lived and relatively shallow by historical standards.

Victoria's non-residential construction sector has performed relatively well in the past year. With growth

of 9.9% recorded in 2016-17, driven largely by growth of 14.6% in major project activity in the retail sector. The latter has been one of the bright spots in the national construction agenda.

Non-residential building approvals are up by about 40% from a year ago, suggesting there is more growth to come over the next 12 months.

There is currently around \$12.5 billion worth of projects under construction. The largest project underway is the \$2.5 billion Collins Square development in Melbourne which is scheduled to wrap up in October 2018.

Engineering construction is expected to spike in 2017-18 as a number of major transport infrastructure projects make it off the drawing board. Of the \$48 billion worth of projects either underway or in planning, more than two-thirds is allocated to transport infrastructure projects. But unlike NSW most of these developments are still in the planning stages, including the \$11 billion Melbourne Metro Rail and the \$10 billion North East Link. Our forecasts assume these projects get underway in the next 12 months. If not then the outlook may well undershoot expectations.

Projects underway outside of the transport sector are led by the Yatpool, Karadoc and Wemen solar farms as well as Mt Gellibrand and Yaloak South wind farm – at a combined cost of around \$1 billion.

VICTORIA FORECASTS

Year Ended June	2017-18	2018-19	2019-20	2020-21	2021-22
Number Commenced					
Residential Building	60,055	55,191	54,842	54,132	52,112
%ch	-6.8%	-8.1%	-0.6%	-1.3%	-3.7%
Value of Work Done					
<i>\$M, chain volume measures, constant 2014/15 prices</i>					
Total Building & Construction	48,463	46,991	44,660	42,985	41,522
%ch	10.4%	-3.0%	-5.0%	-3.8%	-3.4%
Residential Building	21,743	19,787	19,514	19,523	19,172
%ch	-0.2%	-9.0%	-1.4%	0.0%	-1.8%
Non-Residential Building	11,356	11,632	10,481	9,946	9,506
%ch	8.8%	2.4%	-9.9%	-5.1%	-4.4%
Engineering Construction	15,363	15,572	14,666	13,516	12,844
%ch	31.5%	1.4%	-5.8%	-7.8%	-5.0%

Source: Master Builders Australia, Macromonitor, ABS data.

VIC GRAPHS & TABLES – RESIDENTIAL BUILDING

VICTORIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

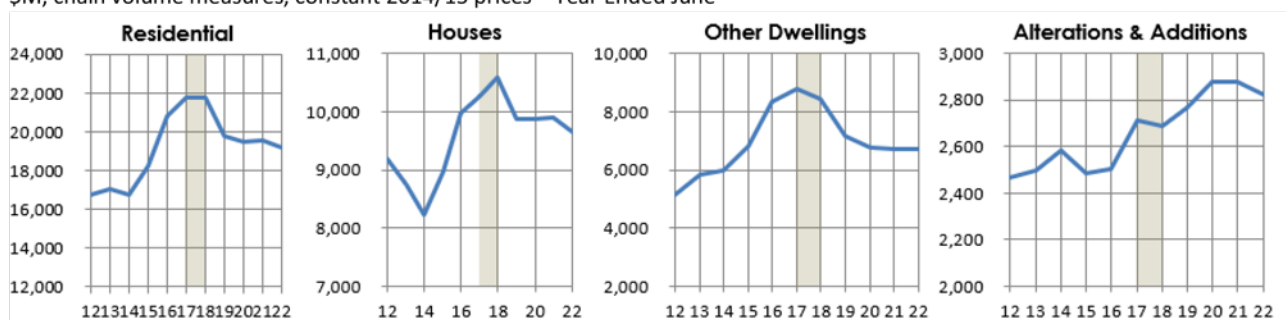
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	16,774	16,756	17,067	16,763	18,252	20,848	21,779	21,743	19,787	19,514	19,523	19,172
%ch	9.2%	-0.1%	1.9%	-1.8%	8.9%	14.2%	4.5%	-0.2%	-9.0%	-1.4%	0.0%	-1.8%
Houses	10,035	9,198	8,742	8,217	8,960	9,980	10,263	10,591	9,876	9,878	9,912	9,651
%ch	2.4%	-8.3%	-5.0%	-6.0%	9.0%	11.4%	2.8%	3.2%	-6.8%	0.0%	0.3%	-2.6%
Other Dwellings	4,490	5,136	5,847	5,973	6,807	8,365	8,801	8,464	7,142	6,756	6,732	6,699
%ch	29.5%	14.4%	13.8%	2.2%	14.0%	22.9%	5.2%	-3.8%	-15.6%	-5.4%	-0.4%	-0.5%
Alterations & Additions	2,337	2,467	2,500	2,581	2,485	2,504	2,715	2,688	2,769	2,879	2,879	2,822
%ch	6.4%	5.6%	1.3%	3.2%	-3.7%	0.8%	8.4%	-1.0%	3.0%	4.0%	0.0%	-2.0%

Source: Master Builders Australia, Macromonitor, ABS data.

VICTORIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



VICTORIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

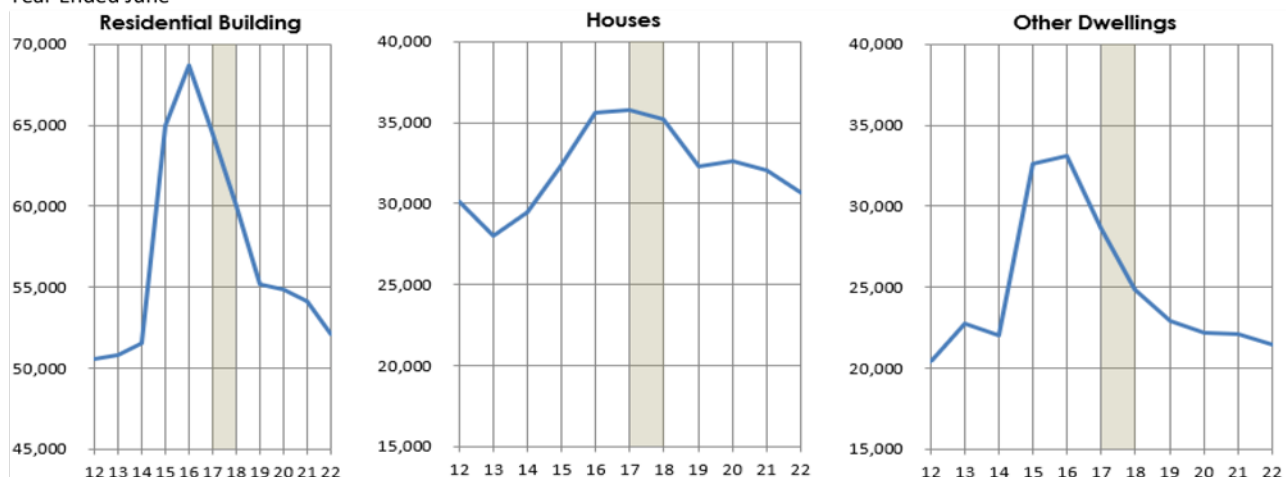
Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	59,113	50,568	50,794	51,521	64,946	68,672	64,442	60,055	55,191	54,842	54,132	52,112
%ch	7.6%	-14.5%	0.4%	1.4%	26.1%	5.7%	-6.2%	-6.8%	-8.1%	-0.6%	-1.3%	-3.7%
Houses	34,889	30,134	28,009	29,462	32,357	35,574	35,795	35,207	32,260	32,624	32,051	30,689
%ch	-8.1%	-13.6%	-7.1%	5.2%	9.8%	9.9%	0.6%	-1.6%	-8.4%	1.1%	-1.8%	-4.2%
Other Dwellings	24,224	20,434	22,785	22,059	32,589	33,098	28,647	24,847	22,931	22,218	22,081	21,423
%ch	42.7%	-15.6%	11.5%	-3.2%	47.7%	1.6%	-13.4%	-13.3%	-7.7%	-3.1%	-0.6%	-3.0%

Source: Master Builders Australia, Macromonitor, ABS data.

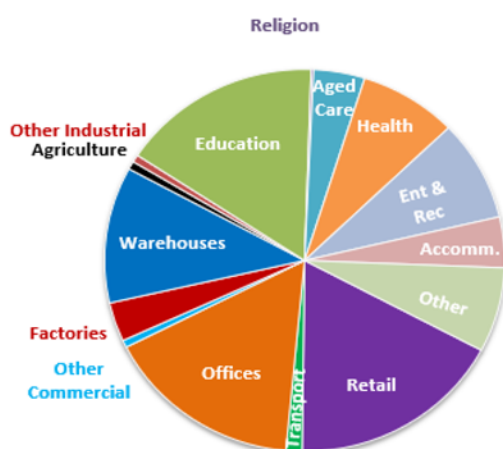
VICTORIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June

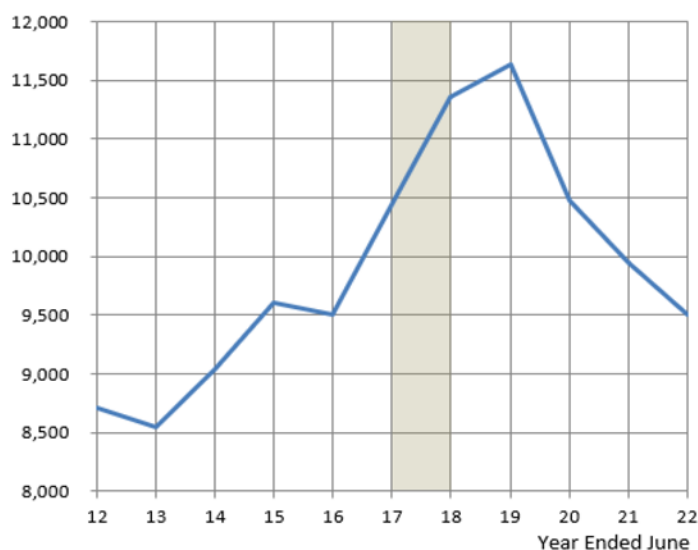


VICTORIA GRAPHS & TABLES – NON-RESIDENTIAL BUILDING

Victoria Non-Residential Building Work Done
2016/17



Non-Residential Building (\$M)



VICTORIA – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

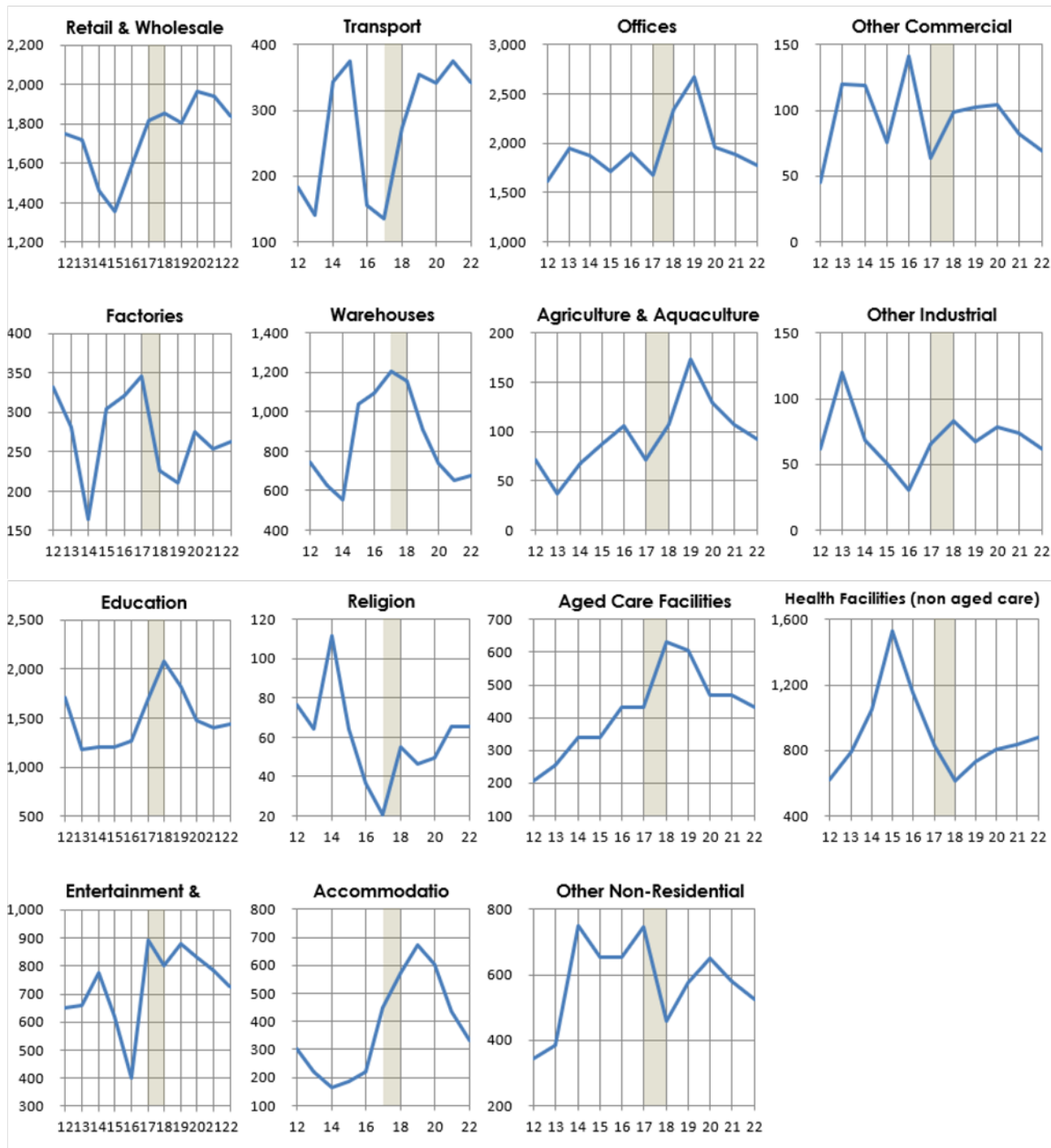
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Residential Building	8,577	8,709	8,546	9,043	9,611	9,499	10,441	11,356	11,632	10,481	9,946	9,506
%ch	-7.0%	1.5%	-1.9%	5.8%	6.3%	-1.2%	9.9%	8.8%	2.4%	-9.9%	-5.1%	-4.4%
Retail & wholesale trade	1,362	1,747	1,718	1,462	1,356	1,587	1,819	1,856	1,805	1,968	1,943	1,837
%ch	2.7%	28.3%	-1.7%	-14.9%	-7.2%	17.1%	14.6%	2.0%	-2.7%	9.0%	-1.3%	-5.5%
Transport buildings	150	184	141	344	375	156	135	274	354	341	375	342
%ch	-21.3%	22.1%	-23.4%	144.6%	9.1%	-58.5%	-13.2%	102.8%	29.1%	-3.6%	10.0%	-8.8%
Offices	1,140	1,616	1,941	1,867	1,719	1,902	1,672	2,342	2,677	1,963	1,887	1,768
%ch	-7.5%	41.8%	20.1%	-3.8%	-8.0%	10.7%	-12.1%	40.1%	14.3%	-26.7%	-3.9%	-6.3%
Other commercial	50	45	120	119	75	141	64	99	102	104	82	69
%ch	3.8%	-10.4%	168.8%	-0.7%	-36.8%	86.9%	-54.7%	54.6%	3.4%	1.7%	-20.8%	-15.5%
Factories	275	331	281	165	305	321	345	226	211	275	254	263
%ch	12.1%	20.5%	-15.3%	-41.3%	85.1%	5.2%	7.6%	-34.5%	-6.7%	30.3%	-7.4%	3.6%
Warehouses	648	746	628	552	1,040	1,094	1,204	1,156	911	739	653	678
%ch	0.8%	15.1%	-15.8%	-12.2%	88.5%	5.2%	10.1%	-4.0%	-21.2%	-18.9%	-11.6%	3.8%
Agriculture and aquaculture	194	72	37	68	87	105	71	107	173	130	107	93
%ch	169.8%	-63.1%	-48.2%	82.0%	29.0%	20.6%	-32.0%	49.4%	62.1%	-25.1%	-17.6%	-13.3%
Other industrial	52	62	120	68	51	30	66	83	67	78	74	62
%ch	7.7%	19.4%	94.7%	-43.2%	-25.6%	-40.7%	118.1%	26.2%	-19.2%	16.7%	-5.4%	-16.2%
Education	2,849	1,709	1,185	1,205	1,208	1,264	1,697	2,082	1,823	1,477	1,401	1,435
%ch	-1.5%	-40.0%	-30.6%	1.7%	0.2%	4.6%	34.2%	22.7%	-12.4%	-19.0%	-5.2%	2.5%
Religion	64	76	64	112	64	37	21	55	47	50	65	65
%ch	7.6%	19.0%	-15.8%	73.7%	-42.6%	-42.9%	-43.6%	167.9%	-15.8%	6.3%	31.7%	0.1%
Aged care facilities	161	205	253	340	339	430	432	632	607	468	470	432
%ch	-31.4%	27.9%	23.4%	34.2%	-0.2%	26.7%	0.5%	46.2%	-4.0%	-22.8%	0.3%	-8.1%
Health (non-aged care)	752	619	792	1,049	1,530	1,155	828	612	729	804	835	882
%ch	-8.1%	-17.7%	27.9%	32.5%	45.9%	-24.5%	-28.3%	-26.1%	19.2%	10.3%	3.8%	5.5%
Entertainment & Recreation	422	652	661	775	622	402	892	802	877	833	783	724
%ch	-19.6%	54.6%	1.4%	17.2%	-19.7%	-35.5%	122.2%	-10.1%	9.4%	-5.0%	-6.0%	-7.5%
Accommodation	166	302	222	166	186	221	447	574	673	603	436	332
%ch	-55.1%	81.8%	-26.5%	-25.4%	12.5%	18.7%	102.4%	28.2%	17.3%	-10.5%	-27.6%	-23.9%
Other non-residential	292	343	383	751	652	655	748	458	576	648	579	524
%ch	-43.0%	17.4%	11.7%	96.1%	-13.1%	0.4%	14.1%	-38.7%	25.6%	12.6%	-10.6%	-9.5%

Source: Master Builders Australia, Macromonitor, ABS data.

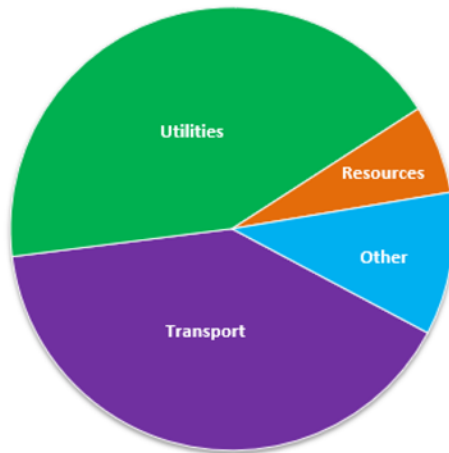
VICTORIA – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June

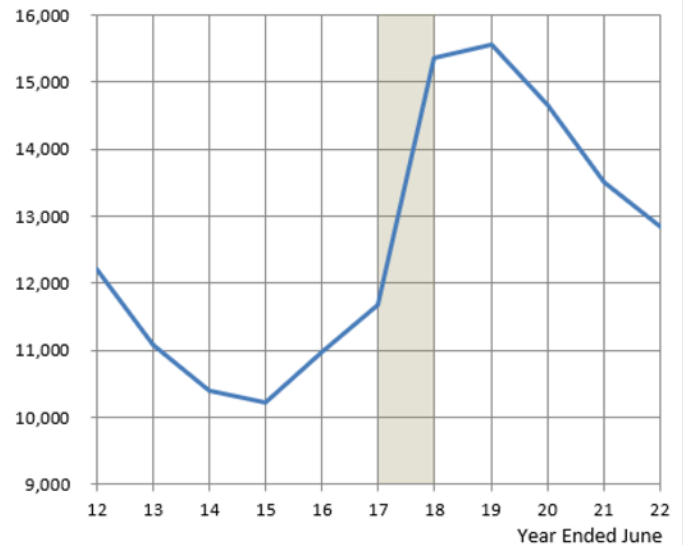


VIC GRAPHS & TABLES – ENGINEERING CONSTRUCTION

Victoria Engineering Construction Work Done 2016/17



Engineering Construction (\$M)



VICTORIA – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

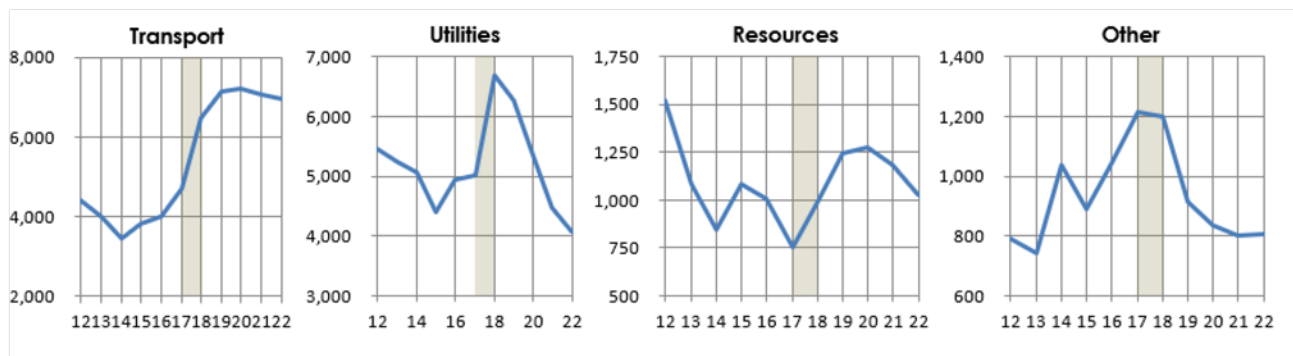
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Engineering Construction	11,906	12,201	11,084	10,401	10,212	10,981	11,679	15,363	15,572	14,666	13,516	12,844
%ch	15.9%	2.5%	-9.2%	-6.2%	-1.8%	7.5%	6.4%	31.5%	1.4%	-5.8%	-7.8%	-5.0%
Transport	4,047	4,414	4,018	3,446	3,840	4,001	4,697	6,491	7,145	7,202	7,055	6,965
%ch	40.8%	9.1%	-9.0%	-14.2%	11.5%	4.2%	17.4%	38.2%	10.1%	0.8%	-2.0%	-1.3%
Utilities	6,308	5,470	5,236	5,070	4,398	4,929	5,009	6,681	6,266	5,349	4,473	4,052
%ch	14.9%	-13.3%	-4.3%	-3.2%	-13.3%	12.1%	1.6%	33.4%	-6.2%	-14.6%	-16.4%	-9.4%
Resources	892	1,525	1,087	848	1,084	1,009	756	993	1,246	1,279	1,185	1,022
%ch	-29.3%	70.9%	-28.7%	-22.0%	27.9%	-7.0%	-25.1%	31.4%	25.5%	2.7%	-7.4%	-13.7%
Other	659	793	743	1,037	889	1,042	1,217	1,198	916	835	803	805
%ch	2.1%	20.4%	-6.3%	39.6%	-14.2%	17.2%	16.8%	-1.5%	-23.6%	-8.8%	-3.9%	0.3%

Source: Master Builders Australia, Macromonitor, ABS data.

VICTORIA – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
Other dwellings	A building other than a house primarily used for long-term residential purposes and which contains (or has attached to it) more than one dwelling unit (e.g. includes blocks of flats, home units, attached townhouses, semi-detached houses, maisonettes, duplexes, apartment buildings, etc.).
Alterations and Additions	Building activity carried out on existing buildings. Includes adding to or diminishing floor area, altering the structural design of a building and affixing rigid components which are integral to the functioning of the building.
Non-residential building	
Non-residential building	A non-residential building is primarily intended for purposes other than long term residential purposes
Retail & wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Transport buildings	Buildings primarily used in the provision of transport services, and includes the following categories: Passenger transport buildings (e.g. passenger terminals), Non-passenger transport buildings (e.g. freight terminals), Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments), Other transport buildings n.e.c.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other commercial	Building not included in commercial categories above.
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.
Agriculture and aquaculture	Buildings housing, or associated with, agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, grain silo, shearers' quarters).
Other industrial	Building not included in industrial categories listed above.
Education	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Religion	Buildings used for or associated with worship, or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, dormitories).
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Health facilities (non-aged care)	Buildings used in the provision of non-aged care medical services (e.g. nurses quarters, laboratories, clinics).
Entertainment & Recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Accommodation	Buildings primarily providing short-term or temporary accommodation, and includes the following categories: Self-contained, short term apartments (e.g. serviced apartments), Hotels (predominantly accommodation), motels, boarding houses, cabins, Other short term accommodation n.e.c. (e.g. migrant hostels, youth hostels, lodges).
Other non-residential	Building not included in categories listed above.
Engineering Construction	
Transport	Includes roads, bridges, railways, harbours
Utilities	Includes water, wastewater, electricity, gas pipelines, telecommunications
Resources	Includes oil, gas and other hydrocarbons; bauxite, alumina and aluminium; coal and coal handling; other minerals and heavy industry.
Other engineering construction	Construction of facilities not involved in categories listed above.

Disclaimer

While every care has been taken in preparing this document, Master Builders Australia will not accept responsibility for actions taken in reliance upon information contained in this document.

The forecasts presented in this publication were developed. The forecasts presented in this publication are subject to unavoidable statistical variation. While all care has been taken to ensure that the statistical variation is kept to a minimum, care should be taken whenever using this information. The interpretation and conclusions presented in this publication are those of the author(s).



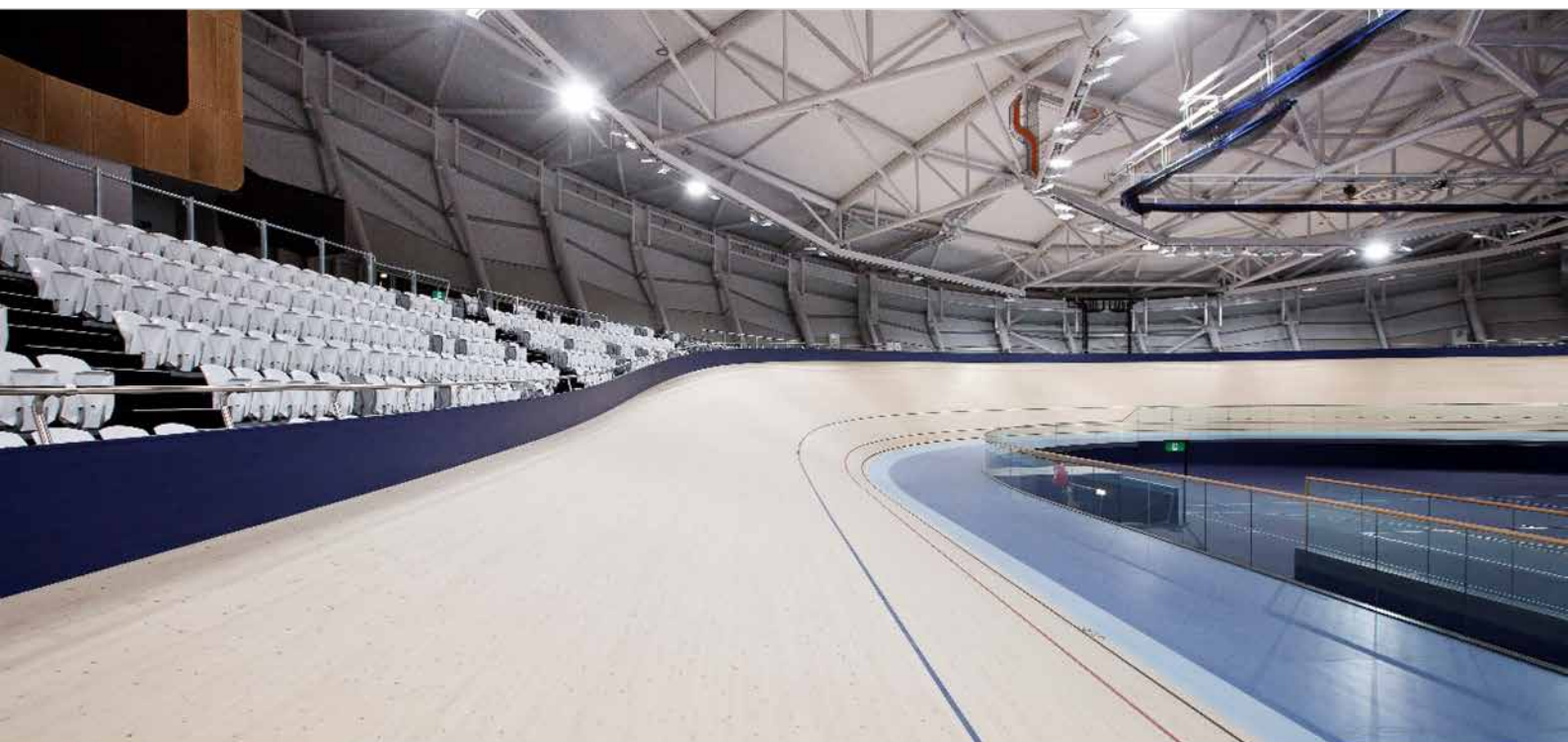
MASTER BUILDERS
AUSTRALIA

BUILDING & CONSTRUCTION

Industry Forecasts

QUEENSLAND

December 2017



National President's Award
Watpac Construction Pty Ltd

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

INTRODUCTION

Master Builders is the peak national association for the building and construction industry in Australia. Master Builders' primary role is to champion the interests of the building and construction industry, representing residential and commercial building, and engineering construction.

Master Builders has more than 33,000 member companies with representation in every State and Territory in Australia, the great majority of which, by number, are small to medium sized enterprises. Master Builders' membership consists of large national, international, residential and commercial builders and civil contractors through to smaller local subcontracting firms, as well as suppliers and professional industry advisers. Membership of Master Builders represents 95 per cent of all sectors of the building and construction industry.

The building and construction industry is the second largest industry in Australia, accounting for 8.1 per cent of Gross Domestic Product and provides jobs for close to 1.1 million Australians – 8.9 per cent of total employment in Australia.

Owner-occupied housing and other property investments account for over two-thirds of the asset portfolio and wealth of ordinary Australians.

The building and construction industry is made up of approximately 345,000 businesses of which 95 per cent are small businesses and independent contractors. Combined, these businesses employ 670,000 workers including 70,000 apprentices.

These forecasts have been prepared in conjunction with Macromonitor Pty Ltd. Macromonitor is one of Australia's leading industry research and forecasting firms, specialising in the building and construction sector.

For more information see www.masterbuilders.com.au, or send enquiries to enquiries@masterbuilders.com.au

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QUEENSLAND COMMENTARY

NON-RESIDENTIAL CONSTRUCTION TO LEAD THE WAY IN 2018

Queensland's economy continues to be solid with a slightly better outlook than six months ago. The State continues to reap dividends from massive investments in mineral and gas production capacity in the past and the recent recovery of commodity prices. The good news is that business investment has bottomed out and has risen over the past year, suggesting the fall in resources investment weighing negatively on construction activity is now effectively behind us.

As such, the divergence between economic growth and building and construction activity in Queensland is expected to converge in 2017-18. The value of work done is expected to rise to \$40 billion in 2017-18, with moderate growth expected, on average, over the following four years.

As the table across shows, housing construction is expected to moderate in 2017-18 on the back of some weak residential approvals data recorded towards the end of the 2017 calendar year. New housing commencements are expected to fall by 10.3%, while in value terms, total housing construction activity is expected to drop by 9.5%.

Most of the expected consolidation in new housing construction will come from the apartments market. Given the number of apartments which have been built in Brisbane in the last few years, a consolidation here was always going to come eventually. But the expected fall in the value of activity of around 20% may present some challenges for building businesses in this segment of the market.

The consolidation in engineering construction activity in Queensland has been a cangue for growth, as the completion of a number of major coal and gas projects left an empty pipeline. But a number of transport related projects has recently entered the pipeline supporting an expectation for a better outlook in the years ahead.

Much of the expected growth in engineering activity this year and next will two major transport projects – the \$5.4 billion Cross River Rail, and the procurement of new rolling stock and the construction of a new

maintenance centre at Wulkuraka to cost a combined \$4.4 billion.

The Adani's Carmichael coal mine - the State's largest planned project worth of \$16.5 billion – could provide another significant economic boost, particularly for residents in the adjoining townships who have had a number of tough years as mining construction jobs have left in droves. This project could support well over 1,000 new construction jobs and provide work for local building and construction companies, but at this stage the project is being held up by strong resistance from environmental advocacy groups.

Non-residential building activity is expected to grow by 16.1% in 2017-18. New non-residential building approvals continue to surprise on the upside, with our forecasts being revised up over the past 12 months as a result. The pipeline of projects is led by the \$1 billion ICON Ipswich renewal project, while the \$970 million Jewel development and the \$750 million Dusit Thani Resort development are supporting a surge in tourism related works.

The Townsville City Deal is also supporting a renewed agenda of major project activity, led by the \$250 million Stadium and convention centre development, and the redevelopment of the Port of Townsville.

QUEENSLAND FORECASTS

Year Ended June	2017-18	2018-19	2019-20	2020-21	2021-22
Number Commenced					
Residential Building	38,825	38,131	40,747	42,307	39,358
%ch	-10.3%	-1.8%	6.9%	3.8%	-7.0%
Value of Work Done					
<i>\$M, chain volume measures, constant 2014/15 prices</i>					
Total Building & Construction	40,041	39,755	40,770	40,919	41,756
%ch	3.5%	-0.7%	2.6%	0.4%	2.0%
Residential Building	12,252	11,668	12,280	12,998	12,687
%ch	-9.5%	-4.8%	5.2%	5.8%	-2.4%
Non-Residential Building	7,638	6,902	6,524	6,603	6,671
%ch	16.1%	-9.6%	-5.5%	1.2%	1.0%
Engineering Construction	20,150	21,185	21,966	21,317	22,398
%ch	8.5%	5.1%	3.7%	-3.0%	5.1%

Source: Master Builders Australia, Macromonitor, ABS data.

QLD GRAPHS & TABLES – RESIDENTIAL BUILDING

QUEENSLAND – RESIDENTIAL BUILDING WORK DONE BY SECTOR

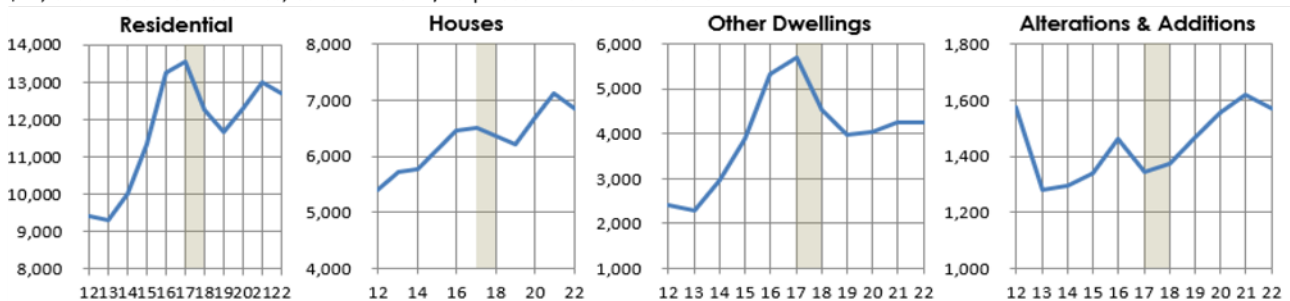
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	10,473	9,407	9,294	10,020	11,322	13,257	13,534	12,252	11,668	12,280	12,998	12,687
%ch	-10.6%	-10.2%	-1.2%	7.8%	13.0%	17.1%	2.1%	-9.5%	-4.8%	5.2%	5.8%	-2.4%
Houses	6,194	5,407	5,716	5,757	6,103	6,452	6,497	6,354	6,207	6,683	7,118	6,850
%ch	-16.2%	-12.7%	5.7%	0.7%	6.0%	5.7%	0.7%	-2.2%	-2.3%	7.7%	6.5%	-3.8%
Other Dwellings	2,686	2,412	2,292	2,960	3,877	5,344	5,691	4,527	3,993	4,042	4,262	4,268
%ch	-1.0%	-10.2%	-5.0%	29.1%	31.0%	37.8%	6.5%	-20.5%	-11.8%	1.2%	5.5%	0.1%
Alterations & Additions	1,580	1,576	1,280	1,294	1,341	1,461	1,345	1,372	1,468	1,556	1,618	1,569
%ch	-2.5%	-0.3%	-18.8%	1.1%	3.7%	8.9%	-7.9%	2.0%	7.0%	6.0%	4.0%	-3.0%

Source: Master Builders Australia, Macromonitor, ABS data.

QUEENSLAND – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



QUEENSLAND – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

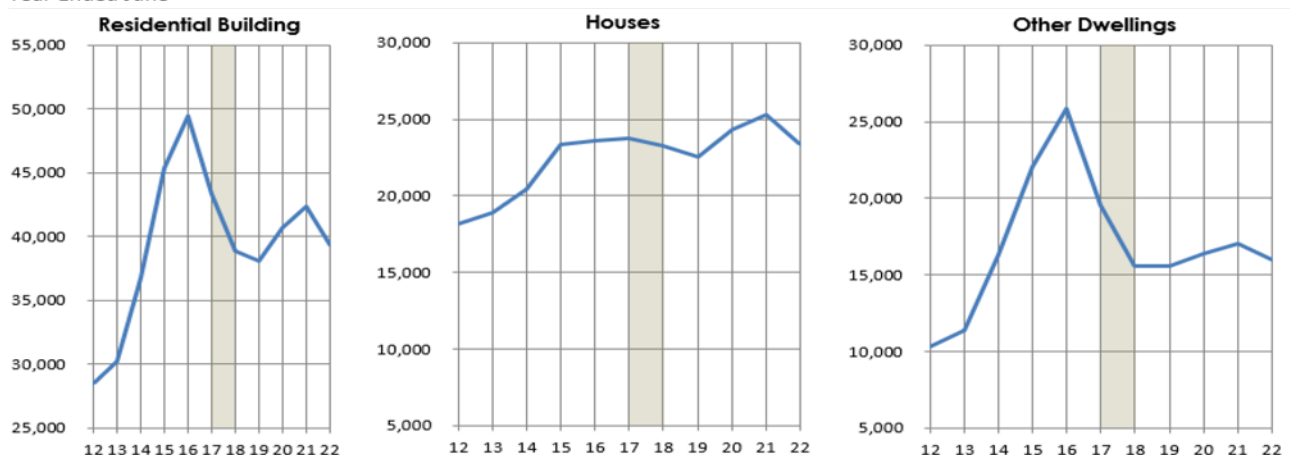
Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	29,296	28,464	30,259	36,767	45,371	49,431	43,284	38,825	38,131	40,747	42,307	39,358
%ch	-17.0%	-2.8%	6.3%	21.5%	23.4%	8.9%	-12.4%	-10.3%	-1.8%	6.9%	3.8%	-7.0%
Houses	19,439	18,164	18,898	20,457	23,332	23,567	23,756	23,240	22,556	24,317	25,259	23,345
%ch	-21.0%	-6.6%	4.0%	8.2%	14.1%	1.0%	0.8%	-2.2%	-2.9%	7.8%	3.9%	-7.6%
Other Dwellings	9,857	10,300	11,361	16,310	22,039	25,864	19,528	15,586	15,575	16,429	17,048	16,014
%ch	-7.7%	4.5%	10.3%	43.6%	35.1%	17.4%	-24.5%	-20.2%	-0.1%	5.5%	3.8%	-6.1%

Source: Master Builders Australia, Macromonitor, ABS data.

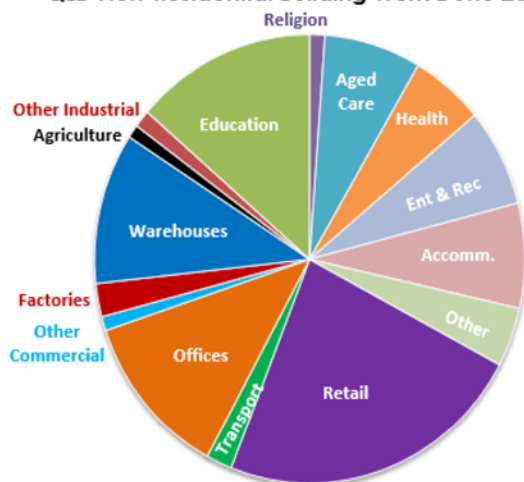
QUEENSLAND – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June

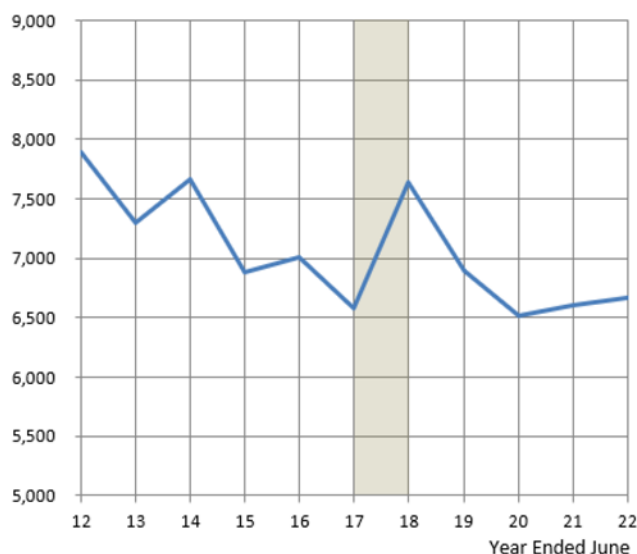


QLD GRAPHS & TABLES – NON-RESIDENTIAL BUILDING

QLD Non-Residential Building Work Done 2016/17



Non-Residential Building (\$M)



QUEENSLAND – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

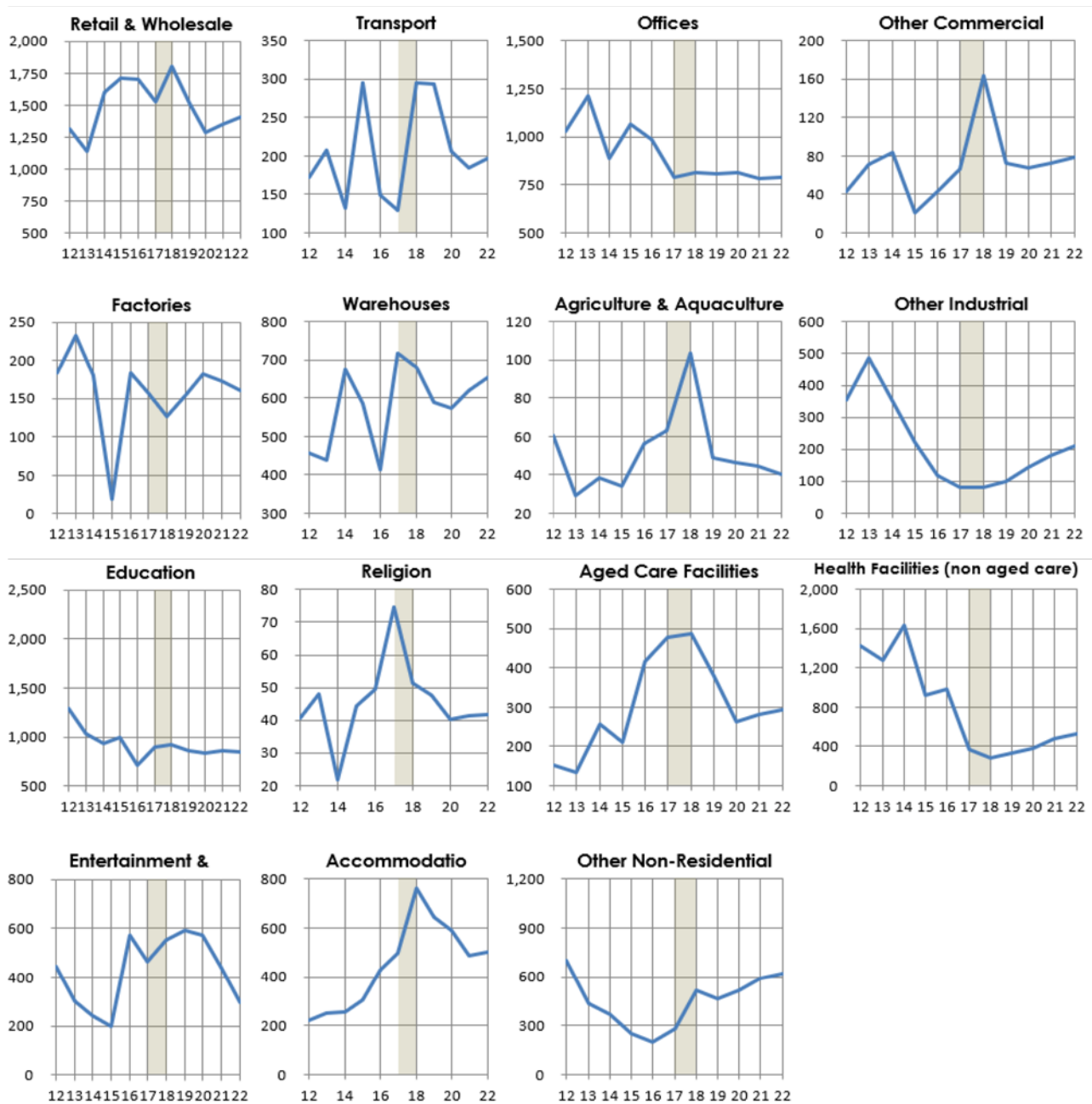
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Residential Building	8,727	7,889	7,304	7,664	6,884	7,010	6,581	7,638	6,902	6,524	6,603	6,671
%ch	6.3%	-9.6%	-7.4%	4.9%	-10.2%	1.8%	-6.1%	16.1%	-9.6%	-5.5%	1.2%	1.0%
Retail & wholesale trade	1,135	1,314	1,144	1,603	1,710	1,705	1,525	1,805	1,521	1,286	1,355	1,412
%ch	36.6%	15.8%	-13.0%	40.2%	6.7%	-0.3%	-10.5%	18.4%	-15.8%	-15.4%	5.4%	4.2%
Transport buildings	208	173	208	133	296	150	128	295	294	205	184	197
%ch	15.1%	-17.2%	20.6%	-36.3%	123.1%	-49.4%	-14.3%	130.1%	-0.5%	-30.1%	-10.4%	7.2%
Offices	1,236	1,031	1,211	886	1,063	987	787	812	809	813	785	788
%ch	-14.5%	-16.6%	17.4%	-26.8%	20.0%	-7.2%	-20.3%	3.2%	-0.4%	0.5%	-3.4%	0.3%
Other commercial	56	42	72	84	21	43	67	163	72	68	73	78
%ch	93.3%	-24.8%	69.0%	17.0%	-74.5%	102.3%	54.8%	143.5%	-55.7%	-5.7%	6.7%	7.8%
Factories	178	184	233	180	20	183	158	127	154	182	173	161
%ch	-7.5%	3.1%	26.6%	-22.7%	-89.1%	834.6%	-13.9%	-19.5%	21.7%	18.1%	-5.2%	-6.9%
Warehouses	453	455	439	676	587	414	717	682	588	572	621	653
%ch	-1.3%	0.4%	-3.6%	54.1%	-13.2%	-29.5%	73.2%	-4.8%	-13.8%	-2.6%	8.5%	5.2%
Agriculture and aquaculture	53	61	29	39	34	56	63	104	49	47	44	40
%ch	97.3%	14.7%	-51.7%	31.4%	-11.8%	65.7%	11.6%	64.7%	-52.6%	-5.2%	-4.6%	-9.1%
Other industrial	130	353	487	349	221	118	83	81	98	143	182	211
%ch	31.8%	171.4%	38.0%	-28.3%	-36.5%	-46.7%	-30.0%	-1.5%	20.9%	44.9%	27.6%	16.0%
Education	2,416	1,298	1,032	935	994	709	897	925	859	839	867	853
%ch	2.9%	-46.3%	-20.5%	-9.4%	6.3%	-28.7%	26.6%	3.1%	-7.2%	-2.3%	3.4%	-1.6%
Religion	29	41	48	22	44	49	74	51	48	40	41	42
%ch	8.4%	39.6%	17.7%	-54.7%	104.7%	10.9%	50.9%	-31.2%	-7.0%	-15.6%	3.0%	1.0%
Aged care facilities	152	151	134	256	212	417	479	488	379	264	280	294
%ch	-3.9%	-1.0%	-11.4%	91.6%	-17.2%	96.9%	14.8%	1.8%	-22.2%	-30.5%	6.3%	4.7%
Health (non-aged care)	1,100	1,421	1,280	1,636	923	980	363	278	329	385	482	528
%ch	45.8%	29.2%	-9.9%	27.8%	-43.6%	6.1%	-63.0%	-23.4%	18.4%	17.1%	25.1%	9.6%
Entertainment & Recreation	489	447	303	243	200	573	464	551	593	573	440	296
%ch	45.0%	-8.4%	-32.2%	-20.0%	-17.4%	186.2%	-19.2%	18.9%	7.5%	-3.3%	-23.3%	-32.8%
Accommodation	205	221	252	255	307	426	497	761	644	589	485	500
%ch	11.6%	7.4%	14.3%	1.1%	20.3%	38.9%	16.6%	53.3%	-15.4%	-8.5%	-17.6%	3.0%
Other non-residential	885	697	433	368	251	199	280	514	465	517	590	617
%ch	-22.1%	-21.2%	-37.9%	-15.1%	-31.8%	-20.5%	40.5%	83.5%	-9.5%	11.1%	14.2%	4.6%

Source: Master Builders Australia, Macromonitor, ABS data.

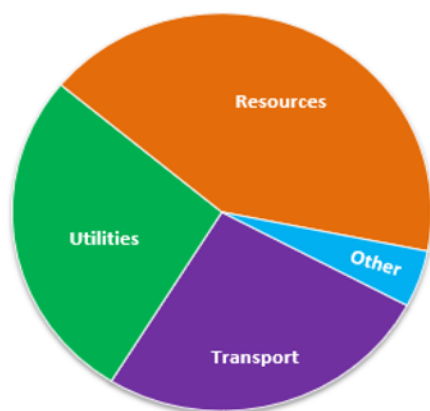
QUEENSLAND – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June

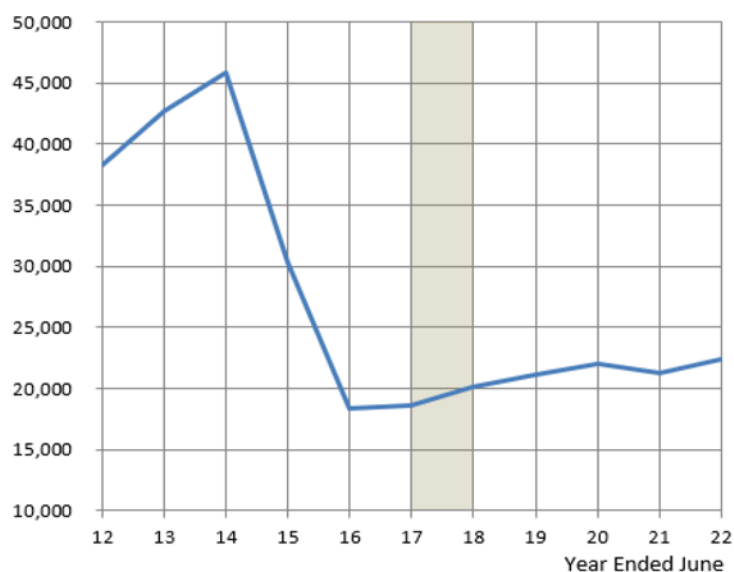


QLD GRAPHS & TABLES – ENGINEERING CONSTRUCTION

**QLD Engineering Construction Work Done
2016/17**



Engineering Construction (\$M)



QUEENSLAND – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

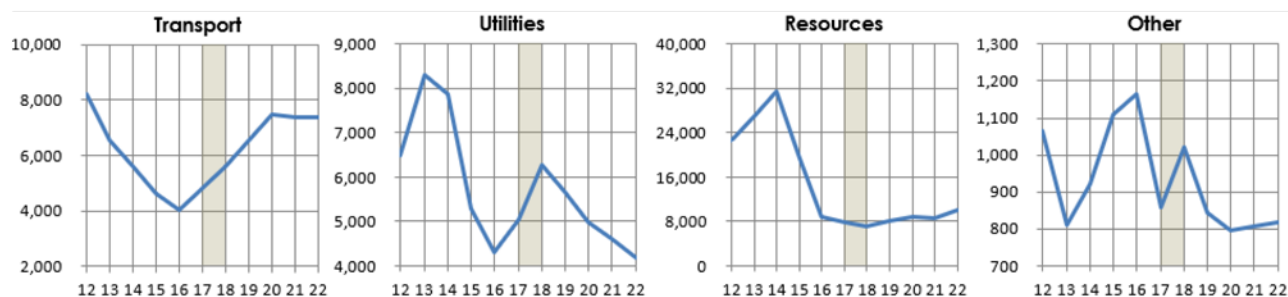
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Engineering Construction	25,622	38,279	42,644	45,862	30,327	18,377	18,571	20,150	21,185	21,966	21,317	22,398
%ch	20.7%	49.4%	11.4%	7.5%	-33.9%	-39.4%	1.1%	8.5%	5.1%	3.7%	-3.0%	5.1%
Transport	7,328	8,195	6,530	5,611	4,633	4,029	4,840	5,627	6,537	7,472	7,388	7,362
%ch	-5.9%	11.8%	-20.3%	-14.1%	-17.4%	-13.0%	20.1%	16.3%	16.2%	14.3%	-1.1%	-0.3%
Utilities	6,578	6,498	8,298	7,877	5,276	4,308	5,056	6,265	5,649	4,975	4,620	4,178
%ch	14.2%	-1.2%	27.7%	-5.1%	-33.0%	-18.3%	17.3%	23.9%	-9.8%	-11.9%	-7.1%	-9.6%
Resources	10,702	22,520	27,007	31,454	19,310	8,873	7,816	7,237	8,154	8,723	8,504	10,039
%ch	54.6%	110.4%	19.9%	16.5%	-38.6%	-54.0%	-11.9%	-7.4%	12.7%	7.0%	-2.5%	18.1%
Other	1,014	1,067	810	920	1,108	1,165	859	1,021	845	796	805	818
%ch	33.4%	5.2%	-24.1%	13.7%	20.4%	5.2%	-26.3%	18.8%	-17.3%	-5.7%	1.1%	1.6%

Source: Master Builders Australia, Macromonitor, ABS data.

QUEENSLAND – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
Other dwellings	A building other than a house primarily used for long-term residential purposes and which contains (or has attached to it) more than one dwelling unit (e.g. includes blocks of flats, home units, attached townhouses, semi-detached houses, maisonettes, duplexes, apartment buildings, etc.).
Alterations and Additions	Building activity carried out on existing buildings. Includes adding to or diminishing floor area, altering the structural design of a building and affixing rigid components which are integral to the functioning of the building.
Non-residential building	
Non-residential building	A non-residential building is primarily intended for purposes other than long term residential purposes
Retail & wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Transport buildings	Buildings primarily used in the provision of transport services, and includes the following categories: Passenger transport buildings (e.g. passenger terminals), Non-passenger transport buildings (e.g. freight terminals), Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments), Other transport buildings n.e.c.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other commercial	Building not included in commercial categories above.
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.
Agriculture and aquaculture	Buildings housing, or associated with, agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, grain silo, shearers' quarters).
Other industrial	Building not included in industrial categories listed above.
Education	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Religion	Buildings used for or associated with worship, or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, dormitories).
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Health facilities (non-aged care)	Buildings used in the provision of non-aged care medical services (e.g. nurses quarters, laboratories, clinics).
Entertainment & Recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Accommodation	Buildings primarily providing short-term or temporary accommodation, and includes the following categories: Self-contained, short term apartments (e.g. serviced apartments), Hotels (predominantly accommodation), motels, boarding houses, cabins, Other short term accommodation n.e.c. (e.g. migrant hostels, youth hostels, lodges).
Other non-residential	Building not included in categories listed above.
Engineering Construction	
Transport	Includes roads, bridges, railways, harbours
Utilities	Includes water, wastewater, electricity, gas pipelines, telecommunications
Resources	Includes oil, gas and other hydrocarbons; bauxite, alumina and aluminium; coal and coal handling; other minerals and heavy industry.
Other engineering construction	Construction of facilities not involved in categories listed above.

Disclaimer

While every care has been taken in preparing this document, Master Builders Australia will not accept responsibility for actions taken in reliance upon information contained in this document.

The forecasts presented in this publication were developed. The forecasts presented in this publication are subject to unavoidable statistical variation. While all care has been taken to ensure that the statistical variation is kept to a minimum, care should be taken whenever using this information. The interpretation and conclusions presented in this publication are those of the author(s).



MASTER BUILDERS
AUSTRALIA

BUILDING & CONSTRUCTION

Industry Forecasts

WESTERN AUSTRALIA

December 2017



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MASTER BUILDERS
A U S T R A L I A

INTRODUCTION

Master Builders is the peak national association for the building and construction industry in Australia. Master Builders' primary role is to champion the interests of the building and construction industry, representing residential and commercial building, and engineering construction.

Master Builders has more than 33,000 member companies with representation in every State and Territory in Australia, the great majority of which, by number, are small to medium sized enterprises. Master Builders' membership consists of large national, international, residential and commercial builders and civil contractors through to smaller local subcontracting firms, as well as suppliers and professional industry advisers. Membership of Master Builders represents 95 per cent of all sectors of the building and construction industry.

The building and construction industry is the second largest industry in Australia, accounting for 8.1 per cent of Gross Domestic Product and provides jobs for close to 1.1 million Australians – 8.9 per cent of total employment in Australia.

Owner-occupied housing and other property investments account for over two-thirds of the asset portfolio and wealth of ordinary Australians.

The building and construction industry is made up of approximately 345,000 businesses of which 95 per cent are small businesses and independent contractors. Combined, these businesses employ 670,000 workers including 70,000 apprentices.

These forecasts have been prepared in conjunction with Macromonitor Pty Ltd. Macromonitor is one of Australia's leading industry research and forecasting firms, specialising in the building and construction sector.

For more information see www.masterbuilders.com.au, or send enquiries to enquiries@masterbuilders.com.au

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WESTERN AUSTRALIA COMMENTARY

MORE POSITIVE PROSPECTS OVER THE HORIZON

The fall in mining investment weighing negatively on the overall economy is nearing an end. An improved global economic backdrop has also helped the recovery with China's regained appetite for infrastructure investment, and the recent rally in commodity prices both paying big dividends in WA.

The recent completion of the \$64 billion Gorgon LNG project – the largest single investment project in Australia's history – is a major factor in the poor result for engineering construction activity in 2017-18 shown in the table below. The latter is also the major cause of the expected fall in the value of total building and construction activity.

On a more positive note, 2017-18 should be the bottom of the trough, with engineering construction expected to make a positive contribution to growth in 2018-19 for the first time in five years.

Going forward it is public investment into major transport infrastructure projects which is expected to be the key source of activity. Included in the budget, with \$4 billion allocated over the forward estimates – the Perth METRONET project and a collection of major road projects – is expected to support more positive growth prospects for the engineering sector going forward. The latter should also drag up total building and construction activity beyond the next 12 months, with the ongoing work at the Perth International Airport and the \$1.2 billion North Link also currently underway.

The jobs market is on the mend, with employment growth expected to be between 2% and 2.5%, the most positive result in five years. The latter is supporting a more positive outlook for retail trade, hospitality and recreation sectors.

On the other hand, population growth, despite a modest improvement expected in 2017-18, will remain a challenge and limit broader growth prospects for the next 12 months.

Population growth is a key driver of new housing construction, so while WA population growth remains at the lower end of the state leader board, it is unlikely

that there will be a strong return to growth in the residential building sector.

The Australian Bureau of Statistics Housing finance and approvals data both showed an improvement in the last six months. Perth's house prices are still falling but at a slower rate, and rental vacancies are also beginning to steady. While still challenging this combination does suggest more positive prospects may be over the horizon. The value of work done in the residential building sector is expected to fall in 2017-18 by 7.1%, and then by a further 2.6% in 2018-19. But that should mark the end of the current down cycle, with growth expected to return by 2019-20.

The official data shows non-residential work to have fallen for the last five years. Moderate growth is expected to return in 2017-18, but only just and thereafter activity is once again set to fall.

Over the next 12 months a total of around \$3 billion worth of non-residential projects are slated to wrap up, while projects worth around \$1.7 billion are due to commence. The state Budget has some additional funding for schools, hospitals, and entertainment and recreation infrastructure, but until private investors return the scale of work in the non-residential sector will remain relatively subdued.

Year Ended June	2017-18	2018-19	2019-20	2020-21	2021-22
Number Commenced					
Residential Building	18,098	17,828	18,931	20,058	19,540
%ch	-8.1%	-1.5%	6.2%	6.0%	-2.6%
Value of Work Done					
<i>\$M, chain volume measures, constant 2014/15 prices</i>					
Total Building & Construction	24,389	24,507	25,636	33,032	32,425
%ch	-30.0%	0.5%	4.6%	28.8%	-1.8%
Residential Building	6,224	6,064	6,348	6,781	6,882
%ch	-7.1%	-2.6%	4.7%	6.8%	1.5%
Non-Residential Building	4,596	4,585	4,207	4,161	4,026
%ch	0.3%	-0.2%	-8.2%	-1.1%	-3.2%
Engineering Construction	13,568	13,858	15,082	22,090	21,517
%ch	-42.4%	2.1%	8.8%	46.5%	-2.6%

WA GRAPHS & TABLES – RESIDENTIAL BUILDING

WESTERN AUSTRALIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

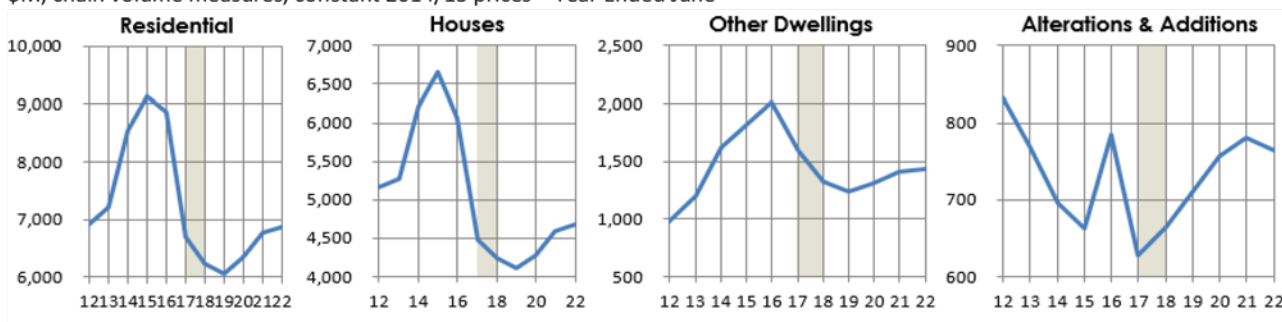
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	8,055	6,923	7,221	8,533	9,136	8,873	6,697	6,224	6,064	6,348	6,781	6,882
%ch	2.5%	-14.0%	4.3%	18.2%	7.1%	-2.9%	-24.5%	-7.1%	-2.6%	4.7%	6.8%	1.5%
Houses	5,764	5,154	5,272	6,218	6,652	6,073	4,476	4,242	4,111	4,279	4,594	4,678
%ch	-1.3%	-10.6%	2.3%	17.9%	7.0%	-8.7%	-26.3%	-5.2%	-3.1%	4.1%	7.4%	1.8%
Other Dwellings	1,373	975	1,198	1,621	1,820	2,016	1,594	1,318	1,242	1,311	1,407	1,439
%ch	13.7%	-29.0%	22.8%	35.4%	12.3%	10.8%	-21.0%	-17.3%	-5.8%	5.6%	7.3%	2.3%
Alterations & Additions	927	833	770	696	664	783	627	665	711	758	780	765
%ch	9.3%	-10.1%	-7.5%	-9.6%	-4.7%	18.1%	-20.0%	6.0%	7.0%	6.5%	3.0%	-2.0%

Source: Master Builders Australia, Macromonitor, ABS data.

WESTERN AUSTRALIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



WESTERN AUSTRALIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

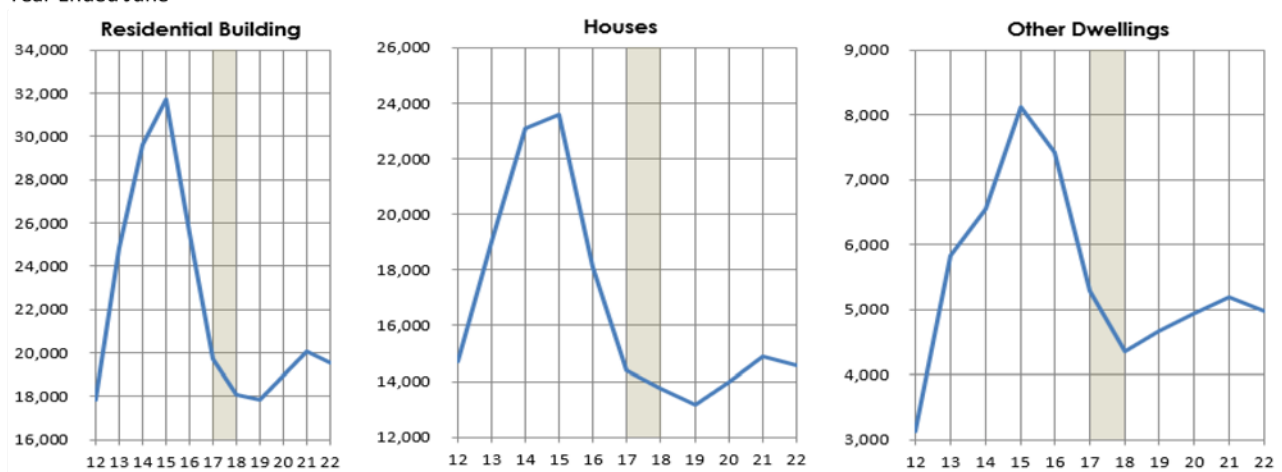
Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	20,981	17,861	24,854	29,638	31,732	25,513	19,702	18,098	17,828	18,931	20,058	19,540
%ch	-17.7%	-14.9%	39.2%	19.2%	7.1%	-19.6%	-22.8%	-8.1%	-1.5%	6.2%	6.0%	-2.6%
Houses	17,055	14,729	19,024	23,097	23,609	18,098	14,413	13,748	13,154	13,990	14,874	14,571
%ch	-15.1%	-13.6%	29.2%	21.4%	2.2%	-23.3%	-20.4%	-4.6%	-4.3%	6.4%	6.3%	-2.0%
Other Dwellings	3,926	3,132	5,830	6,541	8,123	7,415	5,289	4,351	4,674	4,941	5,184	4,968
%ch	-27.6%	-20.2%	86.1%	12.2%	24.2%	-8.7%	-28.7%	-17.7%	7.4%	5.7%	4.9%	-4.2%

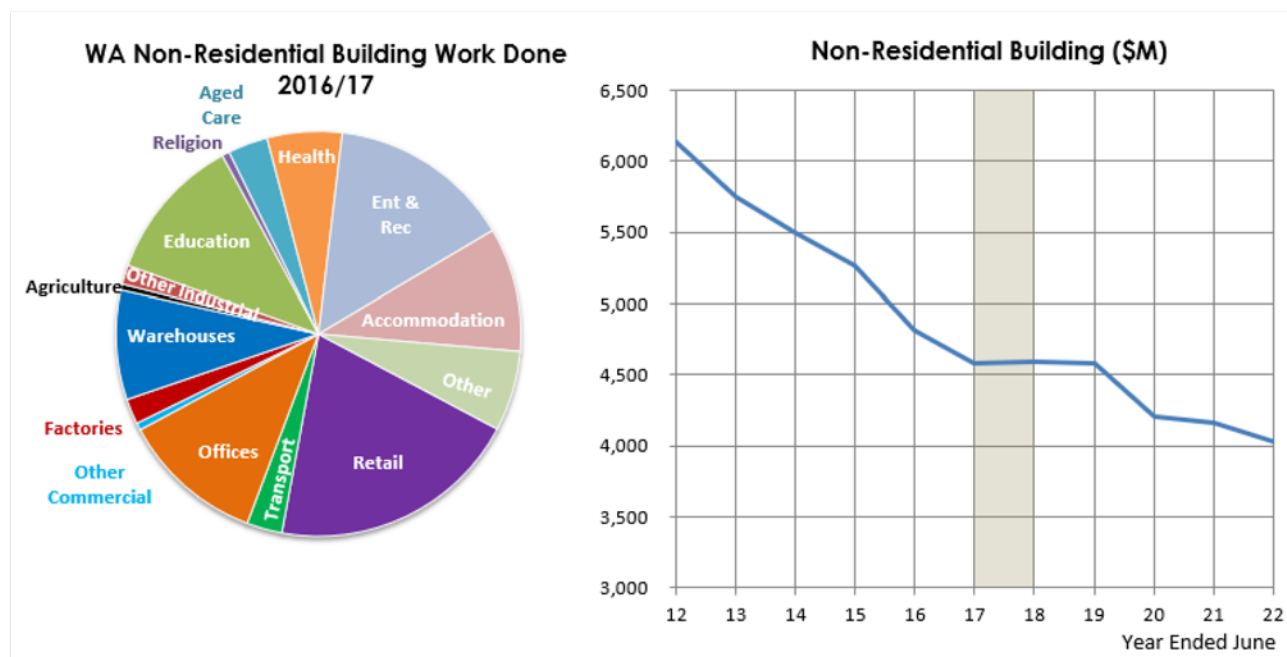
Source: Master Builders Australia, Macromonitor, ABS data.

WESTERN AUSTRALIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June



WA GRAPHS & TABLES – NON-RESIDENTIAL BUILDING



WESTERN AUSTRALIA – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

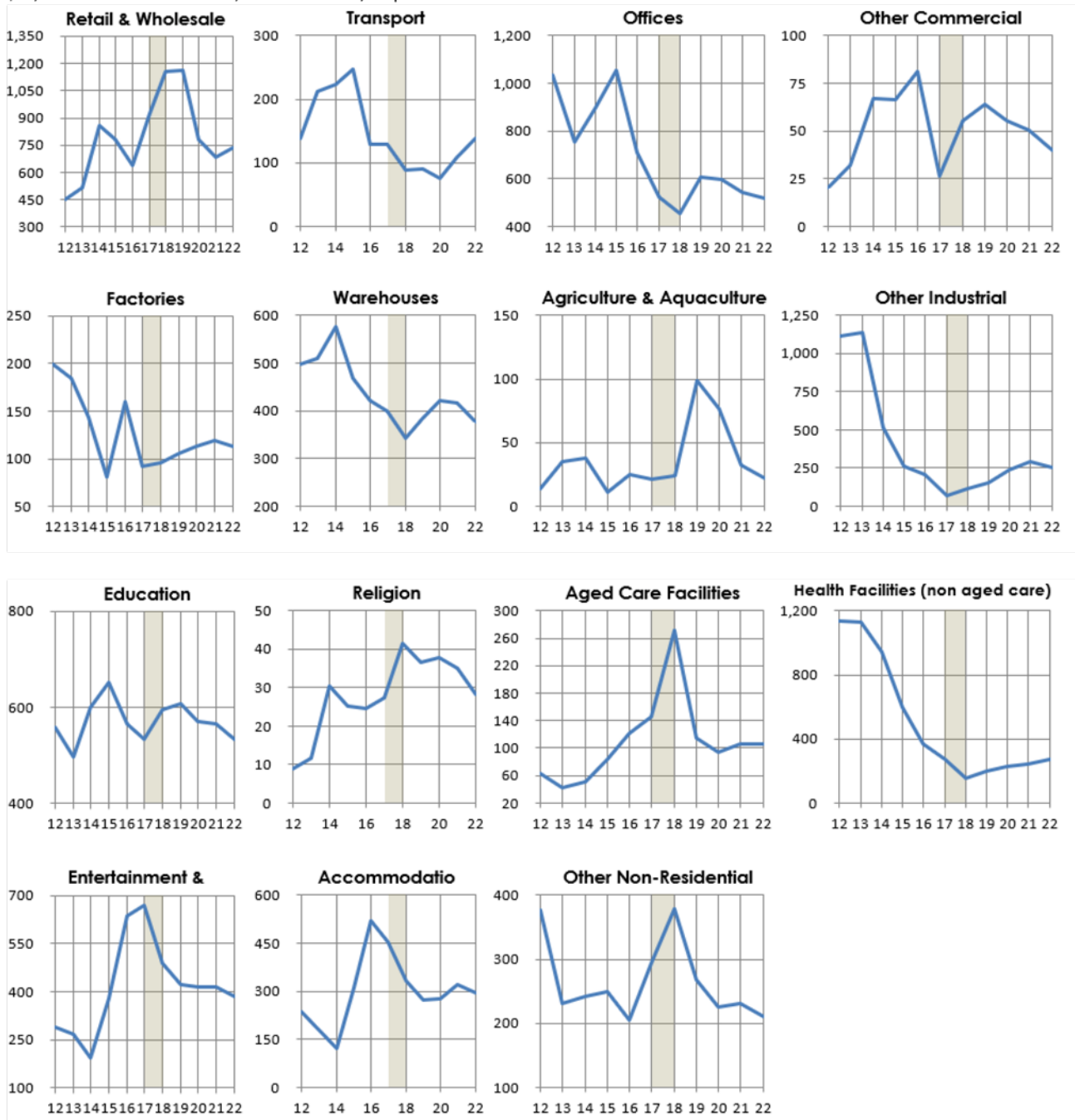
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Residential Building	5,325	6,143	5,746	5,493	5,269	4,815	4,581	4,596	4,585	4,207	4,161	4,026
%ch	21.3%	15.4%	-6.5%	-4.4%	-4.1%	-8.6%	-4.9%	0.3%	-0.2%	-8.2%	-1.1%	-3.2%
Retail & wholesale trade	499	453	519	856	778	640	922	1,154	1,161	777	684	734
%ch	20.8%	-9.2%	14.6%	64.9%	-9.1%	-17.8%	44.1%	25.2%	0.6%	-33.0%	-12.0%	7.3%
Transport buildings	65	139	211	224	248	129	130	88	90	76	109	139
%ch	-23.1%	114.1%	52.0%	5.9%	10.7%	-47.9%	0.5%	-32.3%	2.6%	-15.3%	42.8%	27.3%
Offices	826	1,033	755	895	1,056	710	523	455	608	599	543	518
%ch	-12.2%	25.0%	-26.9%	18.5%	18.0%	-32.7%	-26.4%	-13.0%	33.6%	-1.5%	-9.3%	-4.5%
Other commercial	37	21	32	67	66	81	26	55	64	55	50	40
%ch	419.6%	-43.9%	53.9%	111.7%	-1.2%	22.9%	-67.5%	109.5%	14.8%	-13.3%	-8.7%	-20.2%
Factories	129	199	184	144	82	160	93	96	106	113	119	113
%ch	-5.6%	55.1%	-7.5%	-22.0%	-43.3%	96.6%	-42.2%	3.2%	10.9%	6.4%	5.8%	-5.2%
Warehouses	295	498	509	577	469	422	400	343	385	422	416	377
%ch	9.7%	68.9%	2.1%	13.4%	-18.7%	-9.9%	-5.4%	-14.1%	12.3%	9.4%	-1.3%	-9.4%
Agriculture and aquaculture	18	14	35	37	11	25	22	24	99	76	33	22
%ch	-68.9%	-22.8%	150.3%	8.0%	-69.9%	120.1%	-12.9%	11.1%	312.9%	-23.1%	-57.3%	-32.8%
Other industrial	830	1,116	1,140	512	263	203	70	114	150	240	288	255
%ch	38.7%	34.4%	2.2%	-55.0%	-48.7%	-22.7%	-65.6%	62.6%	31.8%	60.0%	20.0%	-11.4%
Education	1,158	558	497	600	651	566	534	597	609	571	567	533
%ch	42.8%	-51.8%	-11.1%	20.8%	8.6%	-13.2%	-5.7%	11.8%	2.0%	-6.2%	-0.7%	-5.9%
Religion	32	9	12	30	25	24	27	41	37	38	35	28
%ch	6.5%	-72.5%	33.4%	160.0%	-17.0%	-3.0%	12.4%	50.5%	-11.5%	3.2%	-7.5%	-19.1%
Aged care facilities	64	63	43	51	84	121	146	272	115	94	106	106
%ch	-13.4%	-1.2%	-32.3%	19.8%	62.8%	44.8%	20.0%	86.7%	-57.6%	-18.2%	12.0%	0.7%
Health (non-aged care)	697	1,139	1,132	946	600	369	274	157	201	227	246	269
%ch	56.3%	63.3%	-0.6%	-16.4%	-36.5%	-38.6%	-25.7%	-42.7%	28.1%	13.2%	8.1%	9.5%
Entertainment & Recreation	300	289	266	192	377	637	669	490	421	416	416	386
%ch	-1.4%	-3.6%	-8.0%	-27.8%	96.4%	68.9%	5.0%	-26.7%	-14.2%	-1.3%	0.1%	-7.2%
Accommodation	158	235	182	120	309	521	453	332	272	278	319	294
%ch	49.8%	48.9%	-22.9%	-33.9%	157.8%	68.6%	-13.1%	-26.7%	-18.1%	2.1%	14.9%	-7.8%
Other non-residential	218	376	231	242	249	205	293	378	268	226	230	210
%ch	90.0%	72.3%	-38.5%	4.5%	2.8%	-17.7%	43.4%	28.9%	-29.1%	-15.8%	2.0%	-8.7%

Source: Master Builders Australia, Macromonitor, ABS data.

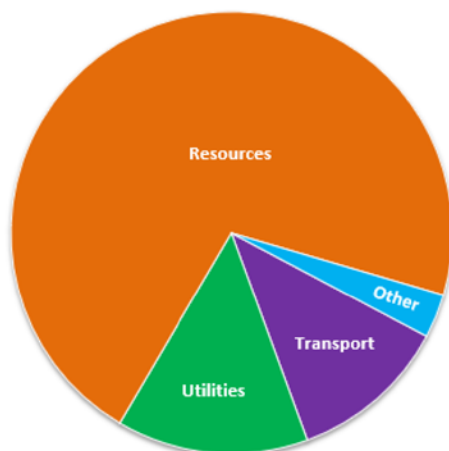
WESTERN AUSTRALIA – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June

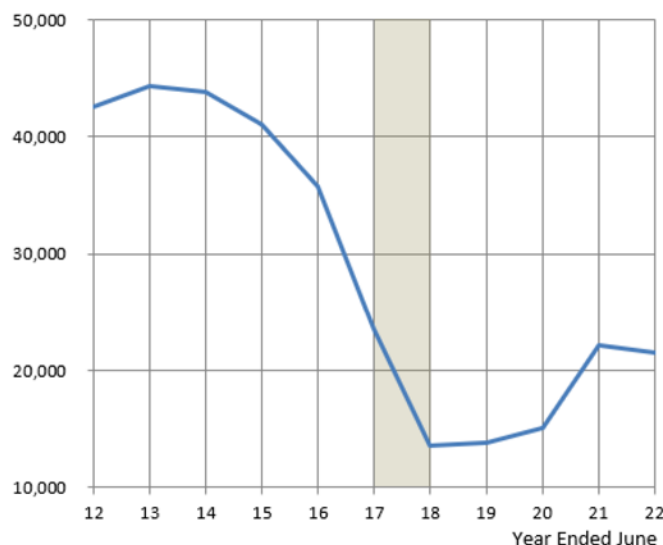


WA GRAPHS & TABLES – ENGINEERING CONSTRUCTION

WA Engineering Construction Work Done 2016/17



Engineering Construction (\$M)



WESTERN AUSTRALIA – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

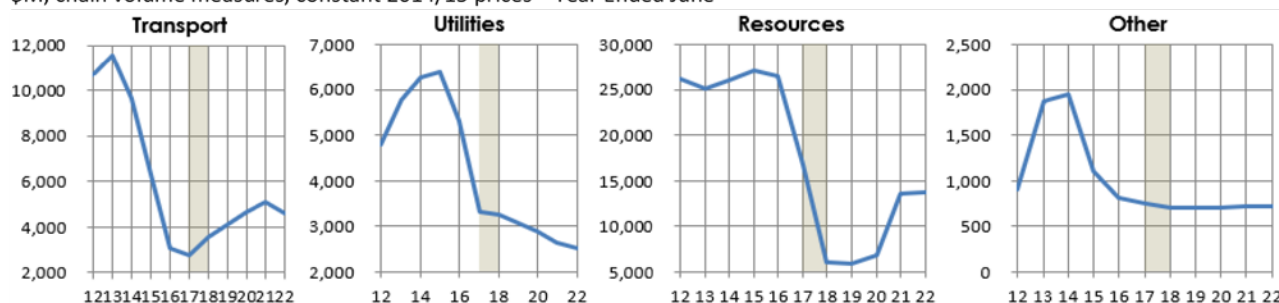
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Engineering Construction	26,748	42,638	44,284	43,840	41,028	35,739	23,568	13,568	13,858	15,082	22,090	21,517
%ch	6.9%	59.4%	3.9%	-1.0%	-6.4%	-12.9%	-34.1%	-42.4%	2.1%	8.8%	46.5%	-2.6%
Transport	6,861	10,693	11,549	9,629	6,349	3,087	2,743	3,569	4,130	4,683	5,101	4,597
%ch	29.7%	55.9%	8.0%	-16.6%	-34.1%	-51.4%	-11.2%	30.2%	15.7%	13.4%	8.9%	-9.9%
Utilities	4,237	4,806	5,774	6,279	6,384	5,324	3,313	3,268	3,077	2,896	2,658	2,521
%ch	-3.1%	13.4%	20.1%	8.7%	1.7%	-16.6%	-37.8%	-1.3%	-5.8%	-5.9%	-8.2%	-5.1%
Resources	14,953	26,239	25,084	25,987	27,184	26,508	16,754	6,018	5,948	6,789	13,614	13,683
%ch	7.1%	75.5%	-4.4%	3.6%	4.6%	-2.5%	-36.8%	-64.1%	-1.2%	14.1%	100.5%	0.5%
Other	696	900	1,877	1,946	1,111	819	759	712	703	713	718	716
%ch	-49.8%	29.2%	108.6%	3.7%	-42.9%	-26.3%	-7.3%	-6.1%	-1.3%	1.4%	0.6%	-0.2%

Source: Master Builders Australia, Macromonitor, ABS data.

WESTERN AUSTRALIA – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
Other dwellings	A building other than a house primarily used for long-term residential purposes and which contains (or has attached to it) more than one dwelling unit (e.g. includes blocks of flats, home units, attached townhouses, semi-detached houses, maisonettes, duplexes, apartment buildings, etc.).
Alterations and Additions	Building activity carried out on existing buildings. Includes adding to or diminishing floor area, altering the structural design of a building and affixing rigid components which are integral to the functioning of the building.
Non-residential building	
Non-residential building	A non-residential building is primarily intended for purposes other than long term residential purposes
Retail & wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Transport buildings	Buildings primarily used in the provision of transport services, and includes the following categories: Passenger transport buildings (e.g. passenger terminals), Non-passenger transport buildings (e.g. freight terminals), Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments), Other transport buildings n.e.c.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other commercial	Building not included in commercial categories above.
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.
Agriculture and aquaculture	Buildings housing, or associated with, agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, grain silo, shearers' quarters).
Other industrial	Building not included in industrial categories listed above.
Education	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Religion	Buildings used for or associated with worship, or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, dormitories).
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Health facilities (non-aged care)	Buildings used in the provision of non-aged care medical services (e.g. nurses quarters, laboratories, clinics).
Entertainment & Recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Accommodation	Buildings primarily providing short-term or temporary accommodation, and includes the following categories: Self-contained, short term apartments (e.g. serviced apartments), Hotels (predominantly accommodation), motels, boarding houses, cabins, Other short term accommodation n.e.c. (e.g. migrant hostels, youth hostels, lodges).
Other non-residential	Building not included in categories listed above.
Engineering Construction	
Transport	Includes roads, bridges, railways, harbours
Utilities	Includes water, wastewater, electricity, gas pipelines, telecommunications
Resources	Includes oil, gas and other hydrocarbons; bauxite, alumina and aluminium; coal and coal handling; other minerals and heavy industry.
Other engineering construction	Construction of facilities not involved in categories listed above.

Disclaimer

While every care has been taken in preparing this document, Master Builders Australia will not accept responsibility for actions taken in reliance upon information contained in this document.

The forecasts presented in this publication were developed. The forecasts presented in this publication are subject to unavoidable statistical variation. While all care has been taken to ensure that the statistical variation is kept to a minimum, care should be taken whenever using this information. The interpretation and conclusions presented in this publication are those of the author(s).



MASTER BUILDERS
A U S T R A L I A

BUILDING & CONSTRUCTION

Industry Forecasts

SOUTH AUSTRALIA

December 2017



**National Commercial/Industrial Construction Award, \$10 million to \$20 million,
Sarah Constructions Pty Ltd
Royal Flying Doctor Service**

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MASTER BUILDERS
A U S T R A L I A

INTRODUCTION

Master Builders is the peak national association for the building and construction industry in Australia. Master Builders' primary role is to champion the interests of the building and construction industry, representing residential and commercial building, and engineering construction.

Master Builders has more than 33,000 member companies with representation in every State and Territory in Australia, the great majority of which, by number, are small to medium sized enterprises. Master Builders' membership consists of large national, international, residential and commercial builders and civil contractors through to smaller local subcontracting firms, as well as suppliers and professional industry advisers. Membership of Master Builders represents 95 per cent of all sectors of the building and construction industry.

The building and construction industry is the second largest industry in Australia, accounting for 8.1 per cent of Gross Domestic Product and provides jobs for close to 1.1 million Australians – 8.9 per cent of total employment in Australia.

Owner-occupied housing and other property investments account for over two-thirds of the asset portfolio and wealth of ordinary Australians.

The building and construction industry is made up of approximately 345,000 businesses of which 95 per cent are small businesses and independent contractors. Combined, these businesses employ 670,000 workers including 70,000 apprentices.

These forecasts have been prepared in conjunction with Macromonitor Pty Ltd. Macromonitor is one of Australia's leading industry research and forecasting firms, specialising in the building and construction sector.

For more information see www.masterbuilders.com.au, or send enquiries to enquiries@masterbuilders.com.au

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SOUTH AUSTRALIA COMMENTARY

TRANSPORT AND ENERGY PROJECTS TO SUPPORT BETTER BUILDING ACTIVITY

The headlines for South Australia have been dominated by the challenges that moving to renewable energy generation poses for energy security. It takes guts to be the canary down the coal mine, so some kudos is granted for leading an ambitious renewable energy agenda. On the other hand, energy security is paramount if the SA economy is going to move forward, keep the lights on and provide support for businesses to innovate and grow.

It hasn't all been bad news for the building and construction industry, with the value of work in the utilities sector, support almost exclusively by renewable energy projects, and is expected to grow by 69.3% in 2017-18.

On an equally positive note, a number of the underlying economic indicators for South Australia are solid. The value of building approvals continues to trend up higher, outpacing most other parts of the country. Retail sales have also been growing faster than the national average for more than a year now, continuing to support an outlook for better retail related non-residential building activity.

Total building construction activity was firmly in the black last year and is expected to be followed by and even bigger spike in growth of 29.6% in 2017-18.

However, the pace of residential building is expected to slow alongside state population growth, with our forecasts for the next 12 months revised slightly down as a result. That said, as the table across shows, new residential construction work is still expected to be 7.7% higher in 2017-18 than in the previous year.

One positive of not reaching the lofty heights of Queensland and WA during the mining boom is that there is less of a downside when the investment dollars dry up. As a result the cleanout of mining related construction in SA ran its course a few years ago. Unlike the resources states, engineering construction in SA has been plodding along for the last few years. But the outlook is much more positive, with utilities and transport projects slated to lead the agenda.

A number of new gas, renewables and battery storage projects have been added to the pipeline in recent months and should support work for a few years. Maintenance work going forward will be another big source of activity and jobs.

Engineering construction activity is dominated by a number of these utilities investment, led by the \$1.5 billion Ceres wind farm on the Yorke Peninsula and \$1 billion Riverland solar farm near Roxby Downs. Aurora Solar Energy Project worth of \$650 million has been added recently to the pipeline.

There are a number of large transport projects underway and in planning. The construction is led by \$1 billion Northern Connector which is expected to continue into 2020, and the \$900 million South Road Upgrade.

A number of large non-residential construction projects worth a combined \$1 billion have been either wrapped up, or are moving towards completion in the next few months, including the Adelaide Convention Centre expansion. However, the fundamentals mentioned above, together with the State Budget's \$400 million for hospitals, schools, and early learning centres should be sufficient to support a more positive outlook in the near term. In fact, the sector is expected to grow strongly in 2017-18, by 33%, before gradually moderating in the years ahead.

Year Ended June	2017-18	2018-19	2019-20	2020-21	2021-22
Number Commenced					
Residential Building	10,741	10,160	10,388	10,424	9,718
%ch	-1.0%	-5.4%	2.2%	0.3%	-6.8%
Value of Work Done					
<i>\$M, chain volume measures, constant 2014/15 prices</i>					
Total Building & Construction	12,400	12,989	11,822	10,869	10,112
%ch	29.6%	4.8%	-9.0%	-8.1%	-7.0%
Residential Building	3,181	3,011	3,071	3,142	3,041
%ch	7.7%	-5.4%	2.0%	2.3%	-3.2%
Non-Residential Building	2,573	2,815	2,338	1,987	1,867
%ch	33.3%	9.4%	-16.9%	-15.0%	-6.0%
Engineering Construction	6,645	7,163	6,413	5,739	5,204
%ch	41.9%	7.8%	-10.5%	-10.5%	-9.3%

SA GRAPHS & TABLES – RESIDENTIAL BUILDING

SOUTH AUSTRALIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

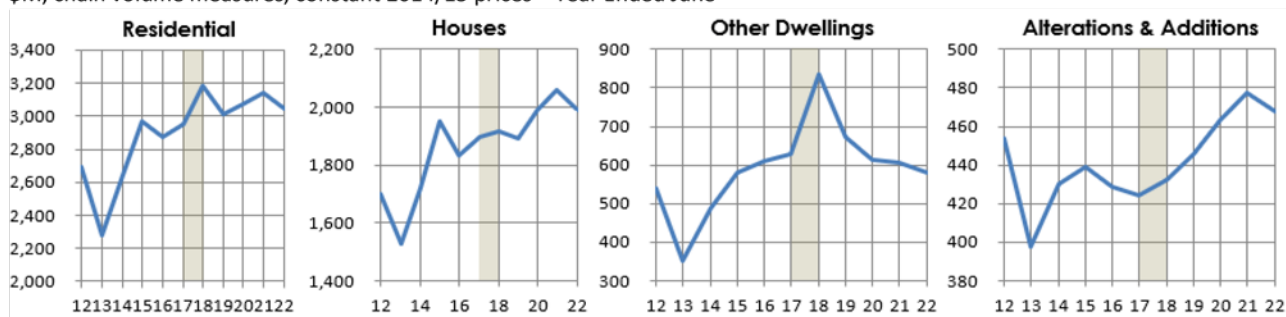
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	3,022	2,691	2,279	2,640	2,969	2,873	2,952	3,181	3,011	3,071	3,142	3,041
%ch	3.0%	-11.0%	-15.3%	15.8%	12.4%	-3.2%	2.8%	7.7%	-5.4%	2.0%	2.3%	-3.2%
Houses	2,018	1,699	1,529	1,720	1,949	1,833	1,898	1,915	1,893	1,992	2,059	1,991
%ch	3.0%	-15.8%	-10.0%	12.5%	13.3%	-5.9%	3.5%	0.9%	-1.2%	5.2%	3.4%	-3.3%
Other Dwellings	557	539	353	490	581	611	630	833	672	615	606	582
%ch	2.4%	-3.1%	-34.6%	38.8%	18.6%	5.2%	3.1%	32.2%	-19.3%	-8.5%	-1.5%	-3.9%
Alterations & Additions	449	454	398	430	439	429	424	433	445	463	477	468
%ch	3.6%	1.2%	-12.4%	8.2%	1.9%	-2.3%	-1.1%	2.0%	3.0%	4.0%	3.0%	-2.0%

Source: Master Builders Australia, Macromonitor, ABS data.

SOUTH AUSTRALIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



SOUTH AUSTRALIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

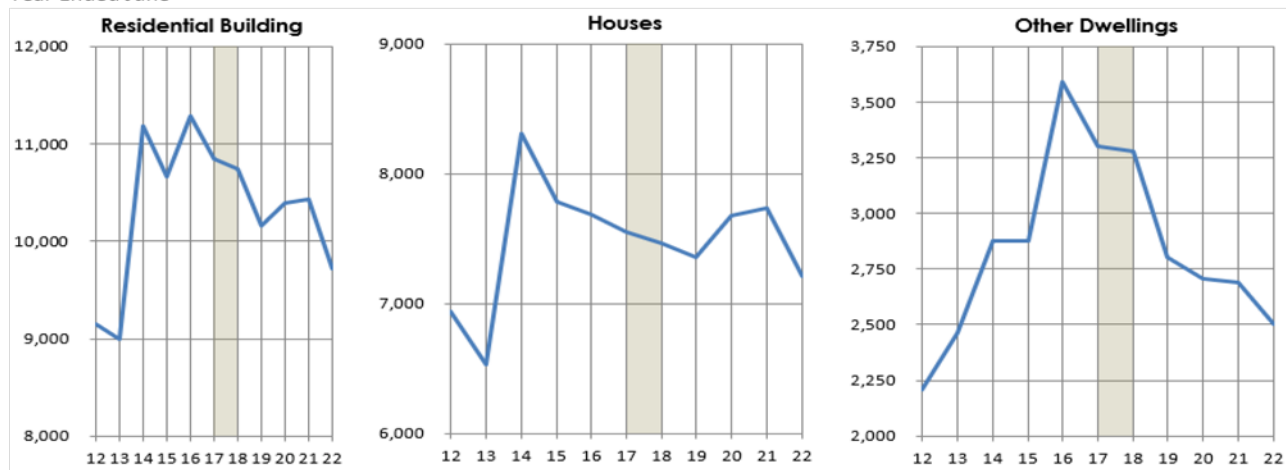
Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	10,967	9,148	8,992	11,181	10,657	11,279	10,851	10,741	10,160	10,388	10,424	9,718
%ch	-10.9%	-16.6%	-1.7%	24.3%	-4.7%	5.8%	-3.8%	-1.0%	-5.4%	2.2%	0.3%	-6.8%
Houses	8,258	6,939	6,529	8,307	7,780	7,687	7,551	7,461	7,356	7,681	7,736	7,212
%ch	-14.7%	-16.0%	-5.9%	27.2%	-6.3%	-1.2%	-1.8%	-1.2%	-1.4%	4.4%	0.7%	-6.8%
Other Dwellings	2,709	2,209	2,463	2,874	2,877	3,592	3,300	3,280	2,804	2,707	2,688	2,505
%ch	2.9%	-18.5%	11.5%	16.7%	0.1%	24.9%	-8.1%	-0.6%	-14.5%	-3.5%	-0.7%	-6.8%

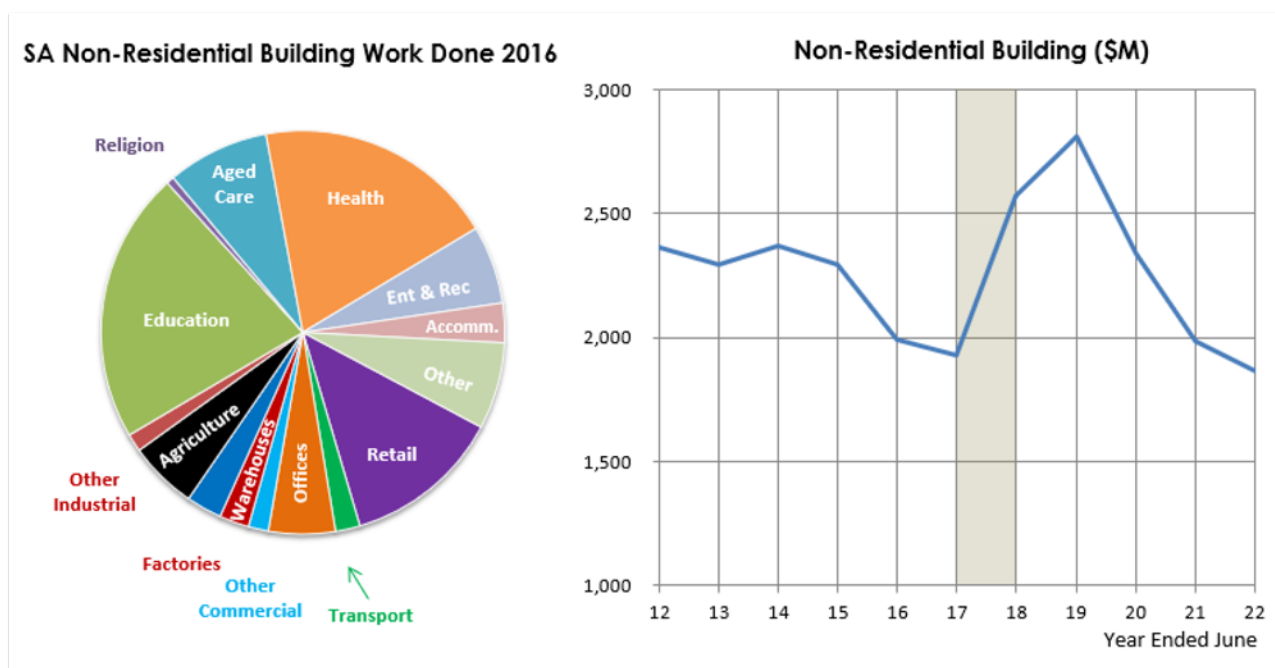
Source: Master Builders Australia, Macromonitor, ABS data.

SOUTH AUSTRALIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June



SA GRAPHS & TABLES – NON-RESIDENTIAL BUILDING



SOUTH AUSTRALIA – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

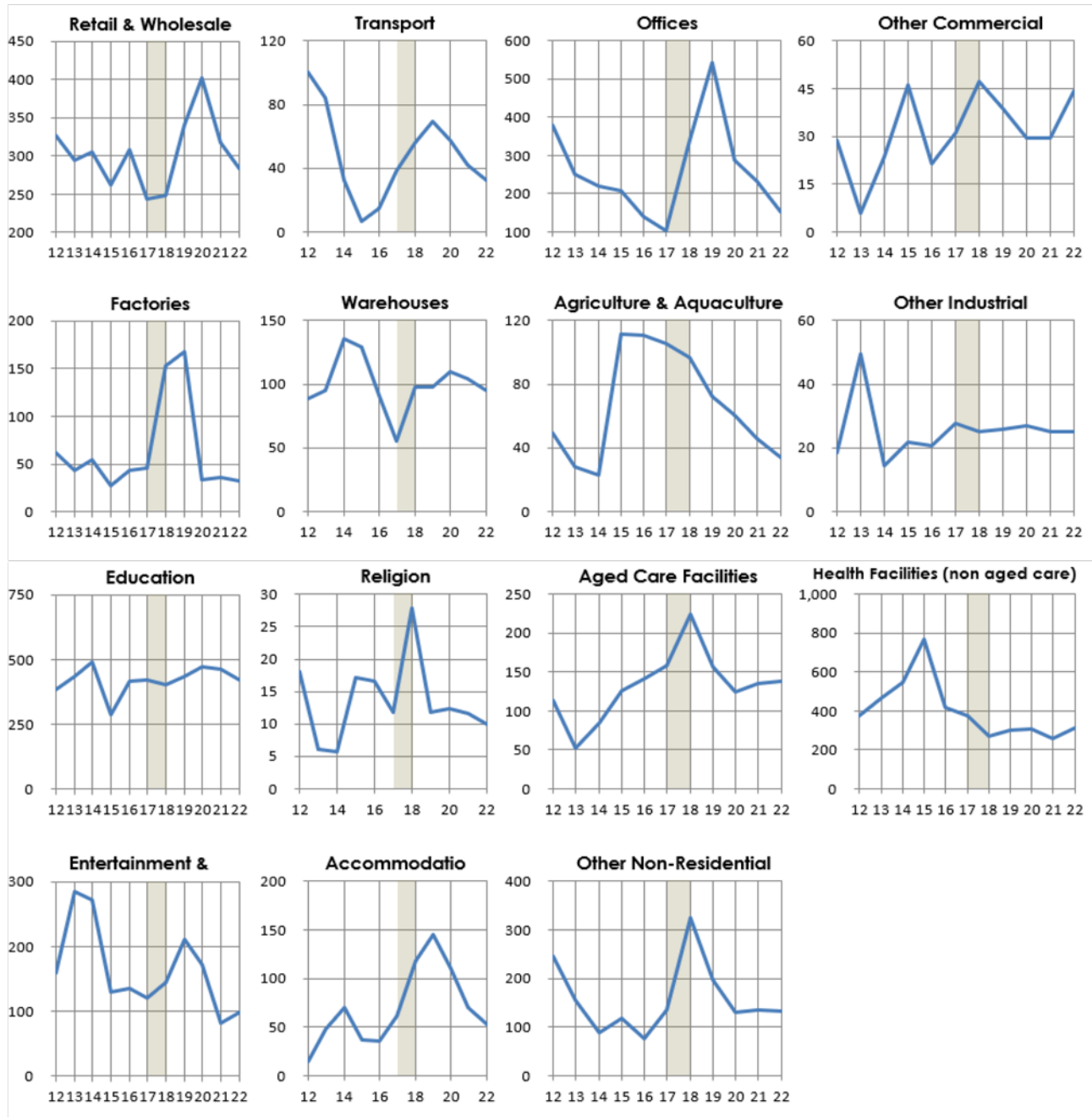
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Residential Building	2,554	2,365	2,297	2,371	2,292	1,992	1,930	2,573	2,815	2,338	1,987	1,867
%ch	0.4%	-7.4%	-2.9%	3.2%	-3.3%	-13.1%	-3.1%	33.3%	9.4%	-16.9%	-15.0%	-6.0%
Retail & wholesale trade	220	327	294	305	262	308	244	249	341	401	318	284
%ch	2.2%	48.2%	-9.9%	3.5%	-13.9%	17.5%	-20.7%	1.8%	36.9%	17.8%	-20.7%	-10.7%
Transport buildings	31	100	84	32	7	14	38	56	70	58	42	33
%ch	-33.8%	225.9%	-16.2%	-61.7%	-79.3%	116.1%	164.7%	48.0%	23.4%	-17.1%	-27.3%	-22.2%
Offices	239	380	250	221	207	140	103	340	542	289	232	152
%ch	31.0%	58.6%	-34.1%	-11.9%	-6.2%	-32.1%	-26.6%	230.0%	59.3%	-46.7%	-19.7%	-34.4%
Other commercial	49	29	6	24	46	21	31	47	39	29	30	44
%ch	115.8%	-41.2%	-79.6%	302.7%	95.2%	-53.5%	44.7%	52.0%	-18.3%	-23.8%	0.6%	49.5%
Factories	142	62	43	55	28	43	46	153	168	34	36	33
%ch	-9.9%	-56.7%	-29.8%	26.2%	-49.5%	57.1%	5.6%	234.7%	9.7%	-79.6%	5.3%	-9.4%
Warehouses	131	89	95	136	129	91	55	98	98	109	104	95
%ch	7.7%	-32.4%	7.4%	42.9%	-4.9%	-29.5%	-39.4%	76.8%	0.1%	11.8%	-4.8%	-8.3%
Agriculture and aquaculture	49	50	28	23	111	111	106	96	72	60	46	34
%ch	183.9%	0.8%	-43.4%	-19.5%	390.1%	-0.5%	-4.4%	-8.8%	-25.4%	-16.3%	-23.8%	-25.3%
Other industrial	14	18	50	14	22	20	28	25	26	27	25	25
%ch	-24.1%	26.8%	170.4%	-71.3%	52.8%	-5.9%	35.6%	-9.9%	3.6%	4.3%	-7.0%	0.1%
Education	858	385	435	492	287	419	420	402	435	473	463	421
%ch	-2.6%	-55.2%	13.0%	13.2%	-41.7%	46.1%	0.4%	-4.4%	8.3%	8.8%	-2.2%	-9.0%
Religion	15	18	6	6	17	17	12	28	12	12	12	10
%ch	90.9%	25.1%	-66.6%	-6.8%	203.3%	-3.0%	-28.7%	134.0%	-57.8%	5.6%	-6.7%	-14.3%
Aged care facilities	74	113	53	85	125	141	158	225	157	125	135	138
%ch	-21.5%	53.6%	-53.4%	61.1%	47.7%	12.0%	12.3%	42.3%	-30.2%	-20.2%	7.8%	2.3%
Health (non-aged care)	217	377	466	549	768	418	373	268	304	307	258	314
%ch	30.7%	73.4%	23.8%	17.8%	39.9%	-45.6%	-10.8%	-28.1%	13.1%	1.0%	-15.8%	21.5%
Entertainment & Recreation	203	159	285	272	129	136	121	144	211	173	82	98
%ch	-13.9%	-21.8%	79.7%	-4.6%	-52.5%	5.5%	-11.2%	19.1%	46.3%	-18.1%	-52.7%	20.3%
Accommodation	47	15	47	70	36	35	61	118	145	110	70	53
%ch	-19.7%	-67.8%	215.9%	47.8%	-48.0%	-3.3%	73.7%	92.6%	23.3%	-24.2%	-36.1%	-24.9%
Other non-residential	264	245	155	89	117	76	134	324	197	129	135	133
%ch	-16.7%	-7.1%	-36.9%	-42.4%	31.5%	-34.8%	75.5%	141.5%	-39.1%	-34.4%	4.4%	-1.8%

Source: Master Builders Australia, Macromonitor, ABS data.

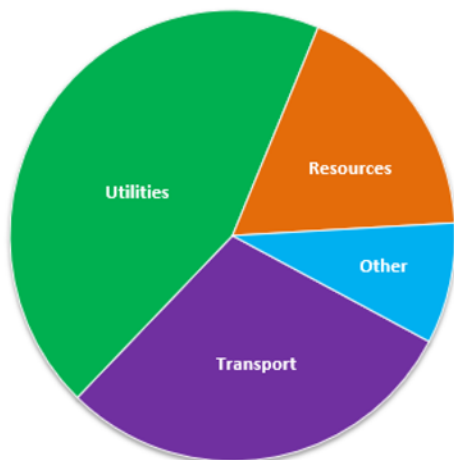
SOUTH AUSTRALIA – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June

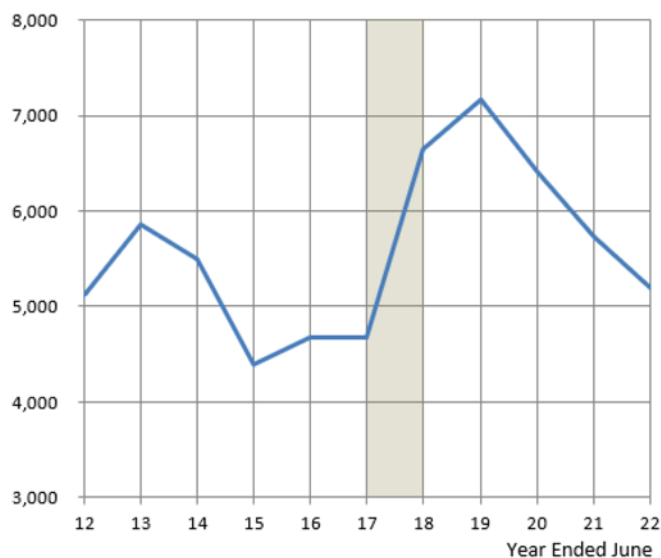


SA GRAPHS & TABLES – ENGINEERING CONSTRUCTION

SA Engineering Construction Work Done 2016/17



Engineering Construction (\$M)



SOUTH AUSTRALIA – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

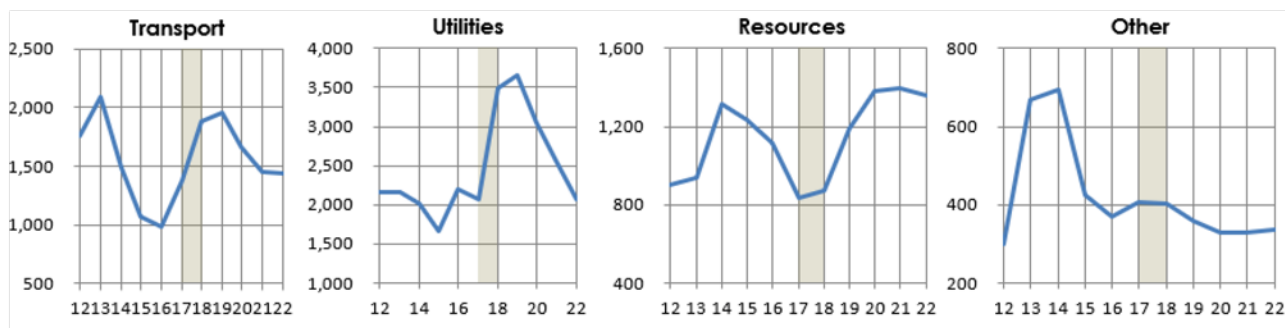
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Engineering Construction	4,984	5,125	5,852	5,496	4,398	4,670	4,684	6,645	7,163	6,413	5,739	5,204
%ch	-2.9%	2.8%	14.2%	-6.1%	-20.0%	6.2%	0.3%	41.9%	7.8%	-10.5%	-10.5%	-9.3%
Transport	1,604	1,760	2,086	1,484	1,074	987	1,381	1,880	1,961	1,662	1,453	1,444
%ch	0.7%	9.7%	18.5%	-28.8%	-27.6%	-8.1%	39.9%	36.1%	4.3%	-15.2%	-12.6%	-0.6%
Utilities	2,210	2,164	2,160	2,007	1,669	2,199	2,062	3,490	3,652	3,039	2,563	2,067
%ch	-17.6%	-2.1%	-0.2%	-7.1%	-16.9%	31.8%	-6.2%	69.3%	4.7%	-16.8%	-15.7%	-19.4%
Resources	784	901	937	1,312	1,231	1,114	835	871	1,190	1,382	1,396	1,356
%ch	53.5%	14.9%	4.0%	40.0%	-6.1%	-9.5%	-25.1%	4.4%	36.5%	16.2%	1.0%	-2.8%
Other	386	301	669	693	424	369	407	404	360	330	327	336
%ch	10.0%	-22.2%	122.6%	3.5%	-38.7%	-13.0%	10.1%	-0.5%	-11.0%	-8.5%	-0.7%	2.7%

Source: Master Builders Australia, Macromonitor, ABS data.

SOUTH AUSTRALIA – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
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MASTER BUILDERS
AUSTRALIA

BUILDING & CONSTRUCTION

Industry Forecasts

TASMANIA

December 2017



National Civil Infrastructure Award
AJR Construct Pty Ltd
North West Regional Hospital Helipad

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MASTER BUILDERS
A U S T R A L I A

INTRODUCTION

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Master Builders has more than 33,000 member companies with representation in every State and Territory in Australia, the great majority of which, by number, are small to medium sized enterprises. Master Builders' membership consists of large national, international, residential and commercial builders and civil contractors through to smaller local subcontracting firms, as well as suppliers and professional industry advisers. Membership of Master Builders represents 95 per cent of all sectors of the building and construction industry.

The building and construction industry is the second largest industry in Australia, accounting for 8.1 per cent of Gross Domestic Product and provides jobs for close to 1.1 million Australians – 8.9 per cent of total employment in Australia.

Owner-occupied housing and other property investments account for over two-thirds of the asset portfolio and wealth of ordinary Australians.

The building and construction industry is made up of approximately 345,000 businesses of which 95 per cent are small businesses and independent contractors. Combined, these businesses employ 670,000 workers including 70,000 apprentices.

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For more information see www.masterbuilders.com.au, or send enquiries to enquiries@masterbuilders.com.au

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TASMANIA COMMENTARY — GENERAL

HOBERT HOUSING SHOWING THE MAINLAND A CLEAN SET OF HEELS

Tasmania's economy has put in a solid performance in the past couple of years. Not being subject to the swings and roundabouts that the mining states are contending with, and with the drivers of interest rates and exchange rates moving in Tasmania's favour, recent growth in the economy has been unusually steady.

That said, growth has been solid rather than outstanding, and is again expected to lag behind the national average in 2018-19, at 1.8% compared to an expectation for national GDP of a little over 3%.

Population growth, a perennial challenge for economic growth in Tasmania, has been better in recent years – so has employment growth. Unemployment has also edged down, despite being a little above the national average. The latter is supporting better wages growth, with Tasmania recording higher wages growth than the average across Australia last year – second only to South Australia.

The real bright spot for Tasmania in the last year or so has been the outperformance of the housing sector. While house prices in most parts of Australia began to decline towards the end of 2017, the average growth for housing in Hobart was 13.8% over the year to September 2017 – the strongest amongst the eight capital cities. Combined with better wages, Hobart homeowners are experiencing one of the biggest boosts to their wealth for some time.

Retail sales growth has beaten the mainland for two years straight. Tourism numbers are on the up, the hospitality sector is as vibrant as any time in living memory and Tassie's high quality agriculture and aquaculture industries are in the sweat spot to service growing demand from a rapidly growing Chinese middleclass.

As the table shows, the value of work done on residential construction projects is expected to grow by 3.8% in 2017-18 and continue to expand for the next three years. This uptick in new housing construction should add around 6,500 extra houses to

the stock and help to put some downward pressure on strong house price growth in Hobart.

Non-residential building continues to show the volatility of a pipeline characterised by some relatively big eggs in a rather small basket. Projects underway are led by the \$689 million redevelopment of the Royal Hobart hospital until 2019. There is also around \$1 billion worth of projects in the pipeline, although the majority is in projects at the early stages of planning. This includes \$360 million worth of hotel and resort projects in planning across the state and the plans of the University of Tasmania to move its Science, Technology, Engineering, and Mathematics (STEM) Research and Training facilities to the CBD at a cost of \$400 million.

In the engineering construction sector, transport projects are expected to do most of the heavy lifting over the next few years with the \$535 Midland Highway upgrade and the \$239 million Freight Rail Revitalisation both scheduled to continue on into 2019. Upgrades at Hobart Airport are also still underway, but work is scheduled to wrap up in the next few months.

Year Ended June	2017-18	2018-19	2019-20	2020-21	2021-22
Number Commenced					
Residential Building	2,163	2,180	2,258	2,246	2,041
%ch	1.6%	0.8%	3.6%	-0.5%	-9.1%
Value of Work Done					
<i>\$M, chain volume measures, constant 2014/15 prices</i>					
Total Building & Construction	2,679	2,556	2,496	2,363	2,050
%ch	6.8%	-4.6%	-2.3%	-5.4%	-13.2%
Residential Building	657	657	689	705	667
%ch	3.8%	0.1%	4.9%	2.2%	-5.4%
Non-Residential Building	676	641	556	528	444
%ch	10.4%	-5.1%	-13.3%	-5.2%	-15.9%
Engineering Construction	1,346	1,258	1,250	1,130	939
%ch	6.6%	-6.6%	-0.6%	-9.6%	-16.9%

TASMANIA GRAPHS & TABLES – RESIDENTIAL BUILDING

TASMANIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

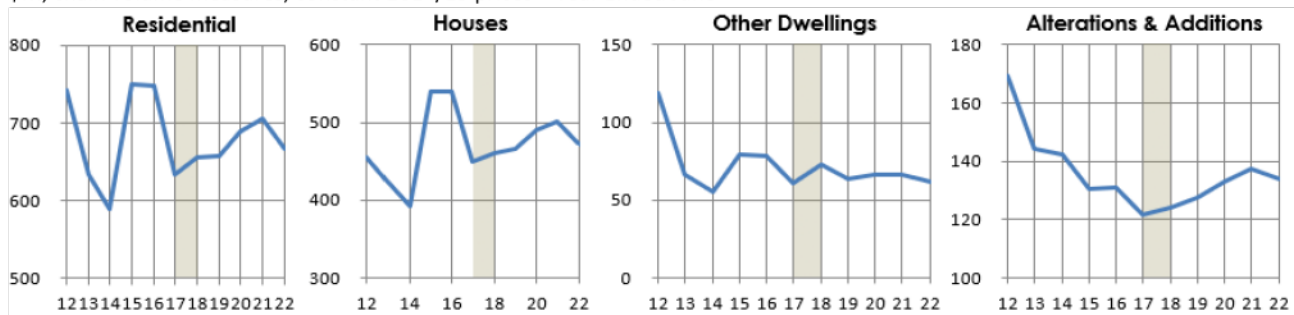
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	845	742	634	590	750	749	633	657	657	689	705	667
%ch	2.0%	-12.2%	-14.5%	-7.1%	27.1%	-0.1%	-15.5%	3.8%	0.1%	4.9%	2.2%	-5.4%
Houses	534	454	423	391	540	539	450	459	465	491	502	472
%ch	-7.8%	-14.9%	-6.8%	-7.6%	37.9%	-0.1%	-16.5%	2.1%	1.3%	5.5%	2.2%	-6.0%
Other Dwellings	156	119	67	56	79	78	61	73	64	66	66	62
%ch	52.3%	-23.4%	-44.0%	-16.5%	42.2%	-1.0%	-21.9%	19.6%	-12.7%	3.0%	0.1%	-6.4%
Alterations & Additions	156	169	144	142	131	131	122	124	128	133	137	134
%ch	5.6%	8.2%	-14.8%	-1.2%	-8.3%	0.3%	-7.3%	2.0%	3.0%	4.0%	3.5%	-2.5%

Source: Master Builders Australia, Macromonitor, ABS data.

TASMANIA – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



TASMANIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

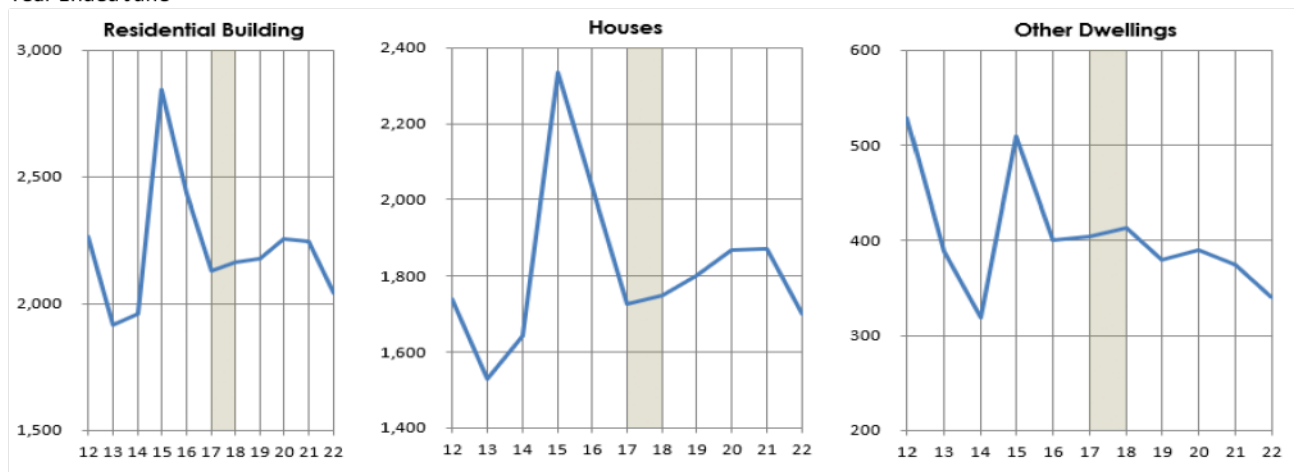
Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	3,064	2,268	1,917	1,962	2,842	2,438	2,129	2,163	2,180	2,258	2,246	2,041
%ch	-4.9%	-26.0%	-15.5%	2.3%	44.9%	-14.2%	-12.7%	1.6%	0.8%	3.6%	-0.5%	-9.1%
Houses	2,198	1,740	1,528	1,643	2,333	2,038	1,725	1,749	1,800	1,867	1,872	1,701
%ch	-14.5%	-20.8%	-12.2%	7.5%	42.0%	-12.6%	-15.4%	1.4%	2.9%	3.7%	0.2%	-9.1%
Other Dwellings	866	528	389	319	509	400	404	414	379	390	374	340
%ch	33.0%	-39.0%	-26.3%	-18.0%	59.6%	-21.4%	1.0%	2.4%	-8.3%	2.9%	-4.2%	-9.1%

Source: Master Builders Australia, Macromonitor, ABS data.

TASMANIA – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June

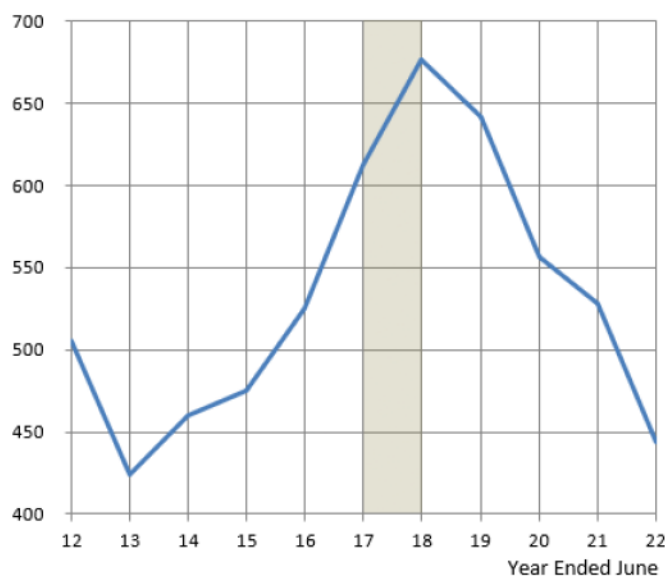


TASMANIA GRAPHS & TABLES – NON-RESIDENTIAL BUILDING

Tasmania Non-Residential Building Work Done 2016/17



Non-Residential Building (\$M)



TASMANIA – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

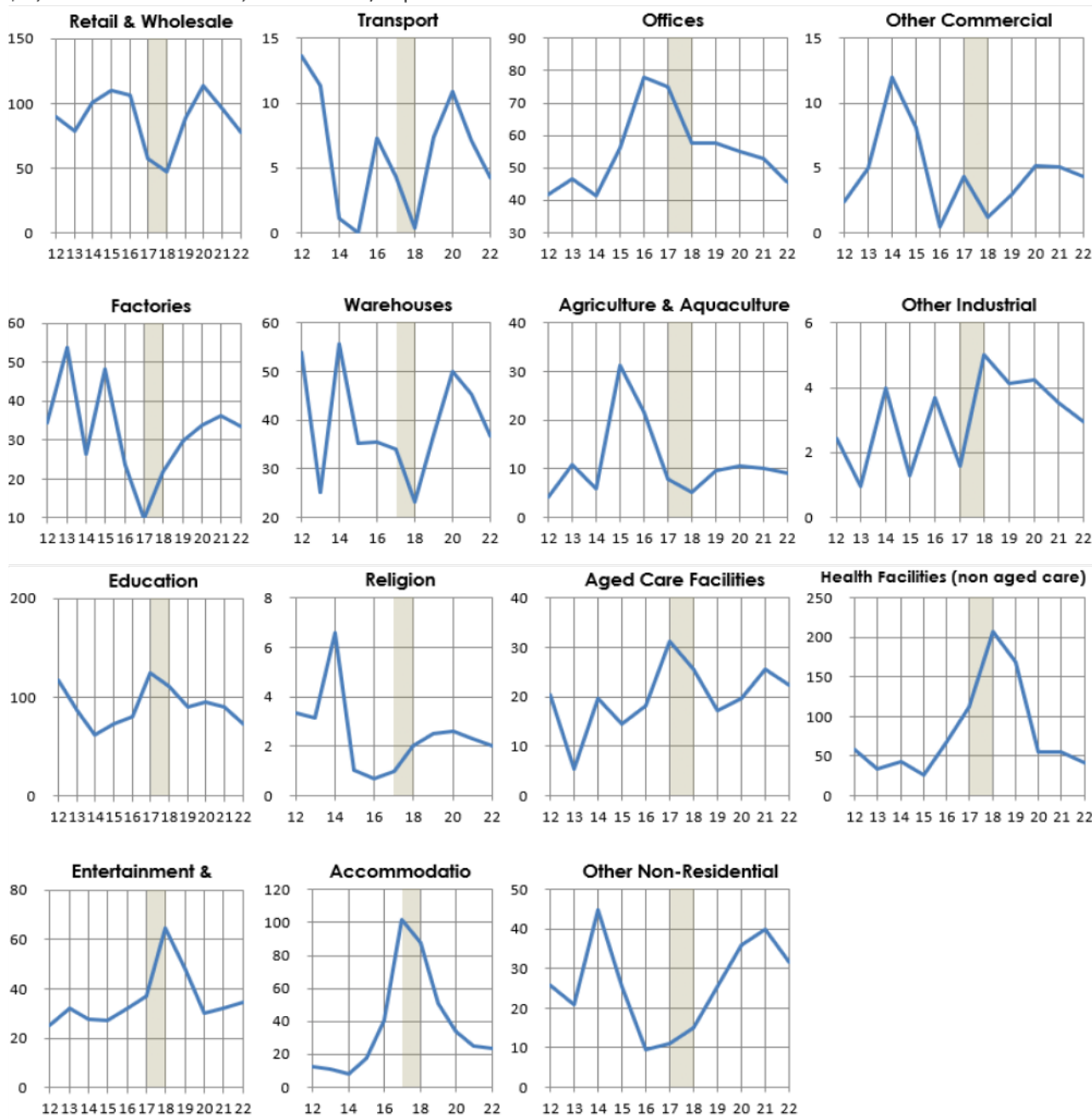
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Residential Building	684	505	424	460	475	525	612	676	641	556	528	444
%ch	-2.0%	-26.1%	-16.1%	8.6%	3.3%	10.5%	16.6%	10.4%	-5.1%	-13.3%	-5.2%	-15.9%
Retail & wholesale trade	62	90	79	101	110	106	57	47	89	114	96	78
%ch	43.4%	45.7%	-12.5%	28.3%	8.9%	-3.3%	-45.9%	-17.8%	88.4%	28.5%	-16.0%	-18.5%
Transport buildings	10	14	11	1	0	7	4		7	11	7	4
%ch	-17.2%	35.1%	-16.8%	-90.2%	-100.0%	#DIV/0!	-40.0%	-90.8%	1727.6%	47.4%	-34.5%	-40.2%
Offices	61	42	46	41	56	78	75	58	58	55	53	46
%ch	23.9%	-31.0%	10.9%	-10.8%	36.0%	38.2%	-3.8%	-22.8%	-0.4%	-4.4%	-3.8%	-13.8%
Other commercial	5	2	5	12	8		4	1	3	5	5	4
%ch	124.7%	-56.2%	108.6%	142.3%	-32.9%	-94.6%	895.0%	-72.8%	150.8%	72.5%	-2.4%	-14.2%
Factories	42	34	54	26	48	24	10	22	30	34	36	33
%ch	21.8%	-17.4%	56.5%	-51.0%	83.5%	-51.2%	-58.8%	123.8%	37.0%	13.2%	7.2%	-7.6%
Warehouses	64	54	25	56	35	36	34	23	37	50	45	37
%ch	128.0%	-15.1%	-53.6%	122.3%	-36.5%	0.7%	-4.3%	-32.2%	60.5%	35.1%	-9.3%	-19.1%
Agriculture and aquaculture	5	4	11	6	31	22	8	5	9	11	10	9
%ch	-18.7%	-24.4%	163.1%	-46.3%	433.6%	-31.2%	-63.9%	-33.0%	82.1%	12.1%	-5.0%	-10.0%
Other industrial	3	2	1	4	1	4	2	5	4	4	4	3
%ch	-53.2%	-11.2%	-61.5%	322.4%	-67.3%	184.6%	-56.9%	215.0%	-17.4%	2.9%	-16.5%	-17.1%
Education	273	117	86	62	74	81	124	112	91	95	91	73
%ch	-20.4%	-57.1%	-26.2%	-27.8%	17.7%	9.6%	54.4%	-10.4%	-18.7%	5.3%	-4.8%	-19.3%
Religion	4	3	3	7	1	1	1	2	3	3	2	2
%ch	0.8%	-23.0%	-4.9%	107.6%	-84.3%	-34.2%	48.0%	101.5%	24.7%	3.3%	-10.3%	-14.1%
Aged care facilities	8	21	5	20	14	18	31	25	17	20	26	22
%ch	-18.3%	150.1%	-73.4%	259.6%	-26.4%	25.3%	72.4%	-18.3%	-32.5%	14.9%	29.3%	-12.8%
Health (non-aged care)	53	58	33	44	26	68	112	208	169	55	55	42
%ch	340.8%	7.9%	-42.4%	31.4%	-40.9%	162.5%	65.7%	85.6%	-18.8%	-67.7%	1.2%	-24.0%
Entertainment & Recreation	62	25	32	28	27	32	37	65	48	30	32	35
%ch	10.9%	-59.3%	26.1%	-12.7%	-1.6%	16.4%	15.7%	75.0%	-25.8%	-37.1%	7.0%	7.6%
Accommodation	13	13	11	8	17	41	102	88	51	34	25	23
%ch	-81.9%	-6.3%	-14.8%	-23.9%	111.5%	135.8%	149.0%	-13.8%	-41.6%	-33.8%	-26.4%	-6.8%
Other non-residential	18	26	21	45	25	9	11	15	26	36	40	32
%ch	6.4%	44.7%	-19.4%	115.7%	-43.4%	-63.0%	16.2%	38.0%	69.7%	41.0%	11.2%	-21.3%

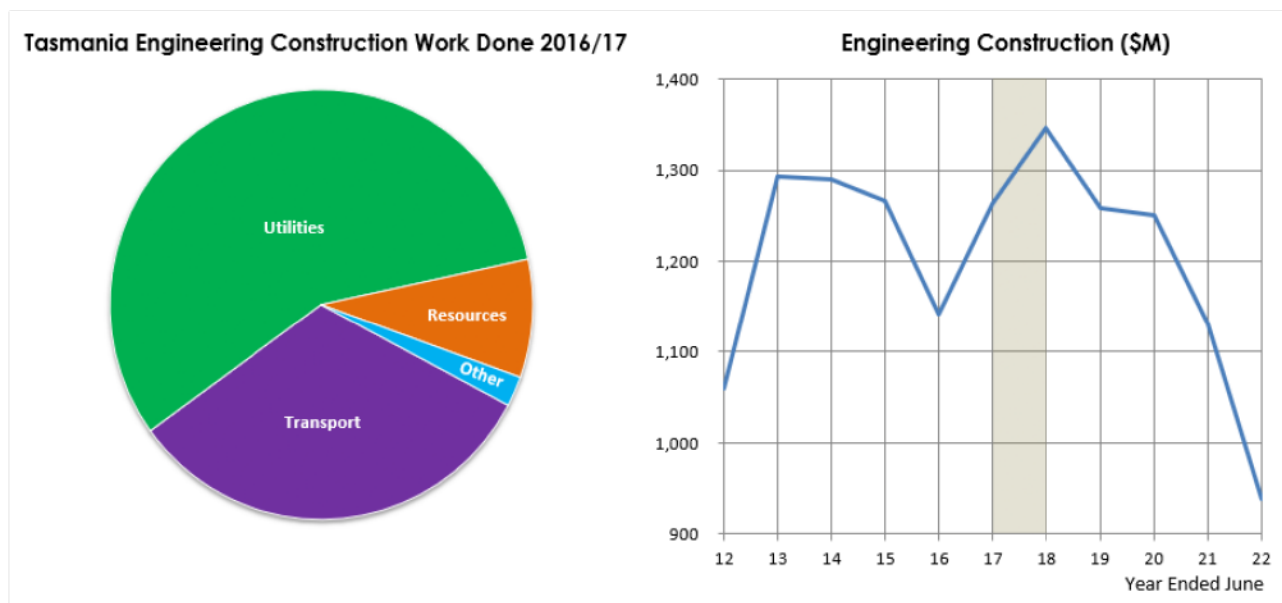
Source: Master Builders Australia, Macromonitor, ABS data.

TASMANIA – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



TASMANIA GRAPHS & TABLES – ENGINEERING CONSTRUCTION



TASMANIA – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Engineering Construction	1,035	1,060	1,293	1,290	1,266	1,142	1,263	1,346	1,258	1,250	1,130	939
%ch	-2.6%	2.4%	22.0%	-0.2%	-1.8%	-9.8%	10.5%	6.6%	-6.6%	-0.6%	-9.6%	-16.9%
Transport	341	294	253	315	367	296	407	386	384	337	329	297
%ch	39.4%	-13.7%	-14.0%	24.3%	16.7%	-19.3%	37.2%	-5.1%	-0.5%	-12.2%	-2.3%	-9.8%
Utilities	512	593	896	779	684	692	715	773	688	657	570	526
%ch	-22.7%	15.8%	51.1%	-13.1%	-12.1%	1.1%	3.3%	8.1%	-11.0%	-4.5%	-13.3%	-7.6%
Resources	97	90	84	158	163	126	113	150	161	229	206	90
%ch	50.0%	-6.8%	-6.5%	87.3%	3.0%	-22.5%	-10.5%	32.7%	7.4%	42.9%	-10.4%	-56.1%
Other	86	83	60	39	52	28	29	38	25	27	26	25
%ch	-6.7%	-3.5%	-27.4%	-35.5%	34.9%	-45.8%	0.8%	33.4%	-33.7%	6.3%	-4.7%	-1.8%

Source: Master Builders Australia, Macromonitor, ABS data.

TASMANIA – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
Other dwellings	A building other than a house primarily used for long-term residential purposes and which contains (or has attached to it) more than one dwelling unit (e.g. includes blocks of flats, home units, attached townhouses, semi-detached houses, maisonettes, duplexes, apartment buildings, etc.).
Alterations and Additions	Building activity carried out on existing buildings. Includes adding to or diminishing floor area, altering the structural design of a building and affixing rigid components which are integral to the functioning of the building.
Non-residential building	
Non-residential building	A non-residential building is primarily intended for purposes other than long term residential purposes
Retail & wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Transport buildings	Buildings primarily used in the provision of transport services, and includes the following categories: Passenger transport buildings (e.g. passenger terminals), Non-passenger transport buildings (e.g. freight terminals), Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments), Other transport buildings n.e.c.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other commercial	Building not included in commercial categories above.
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.
Agriculture and aquaculture	Buildings housing, or associated with, agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, grain silo, shearers' quarters).
Other industrial	Building not included in industrial categories listed above.
Education	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Religion	Buildings used for or associated with worship, or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, dormitories).
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Health facilities (non-aged care)	Buildings used in the provision of non-aged care medical services (e.g. nurses quarters, laboratories, clinics).
Entertainment & Recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Accommodation	Buildings primarily providing short-term or temporary accommodation, and includes the following categories: Self-contained, short term apartments (e.g. serviced apartments), Hotels (predominantly accommodation), motels, boarding houses, cabins, Other short term accommodation n.e.c. (e.g. migrant hostels, youth hostels, lodges).
Other non-residential	Building not included in categories listed above.
Engineering Construction	
Transport	Includes roads, bridges, railways, harbours
Utilities	Includes water, wastewater, electricity, gas pipelines, telecommunications
Resources	Includes oil, gas and other hydrocarbons; bauxite, alumina and aluminium; coal and coal handling; other minerals and heavy industry.
Other engineering construction	Construction of facilities not involved in categories listed above.

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MASTER BUILDERS
AUSTRALIA

BUILDING & CONSTRUCTION

Industry Forecasts

NORTHERN TERRITORY

December 2017



National Excellence in Workplace Health and Safety Award
Halikos Construction Pty Ltd
New Henbury School

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NORTHERN TERRITORY - COMMENTARY

ONE MORE ROUND OF RESOURCE INVESTMENT IN THE PIPELINE

The resource investment boom for the Top End is about to lose its jewel in the crown, with the \$45 billion Ichthys LNG project to be completed in the coming months. This will weigh negatively on engineering construction activity and on broader economic activity while the economy makes the adjustment.

That said, the production phase of the Ichthys project, scheduled for the end of Q1 2018, will generate dividends for years to come. As result, economic growth is expected to be solid, with average growth over the next five years of 3.6% - above the expected national average.

However, population growth in the NT was the weakest in the nation last year, at 0.4%. While the completion of Ichthys is challenging the jobs market – resources related jobs have been falling for some time.

The hangover from Ichthys in engineering construction is going to be a long one. The higher you climb the longer you have to fall, and the harder you hit the floor. To be clear, there is not another Ichthys around the corner. But there is some light over the horizon in the form of the \$13 billion Greater Sunrise LNG project.

Added to this, there are another two gas projects worth a combined \$3.5 billion in planning and a couple of smaller resources related projects recently entering the pipeline.

The forecast shown in the table below come with a healthy dose of optimism, and expect that the majority of these projects – particularly the Greater Sunrise project – will commence in the next couple of years. Whether this eventuates remains to be seen. If not, then future activity may undershoot expectations and will challenge broader economic growth.

Low population growth and a weak labour market have capped activity in other parts of the building and construction industry, particular in the residential building sector where the value of work done has shrunk by half in the past four years.

A number of forward indicators of the housing market remain weak. Rental vacancies are still high and house prices continue to fall as excess capacity in the housing stock is waiting to be filled. We expect residential construction to shrink by 12.2% in 2017-18. But looking past the next 12 months, prospects should improve. There is also major work underway to expand the HMAS Coonawarra and Larrakeyah barracks which is not shown in the work done statistics but is providing and extra source of work for a number of NT builders.

Non-residential building continues to fall from its peak in 2014-15. However, ongoing work on the \$900 million Darwin City Waterfront, and a number of health and recreation related projects are propping up construction activity. The latter is led by the \$170 million Palmerston Regional hospital expansion.

Year Ended June	2017-18	2018-19	2019-20	2020-21	2021-22
Number Commenced					
Residential Building	874	1,031	1,187	1,289	1,287
%ch	-9.0%	18.0%	15.1%	8.6%	-0.2%
Value of Work Done					
<i>\$M, chain volume measures, constant 2014/15 prices</i>					
Total Building & Construction	4,226	2,911	4,218	4,437	3,933
%ch	-36.8%	-31.1%	44.9%	5.2%	-11.4%
Residential Building	399	408	470	525	552
%ch	-12.2%	2.3%	15.3%	11.6%	5.2%
Non-Residential Building	554	511	678	634	507
%ch	-21.6%	-7.7%	32.6%	-6.5%	-20.1%
Engineering Construction	3,272	1,992	3,070	3,278	2,874
%ch	-40.8%	-39.1%	54.1%	6.8%	-12.3%

NORTHERN TERRITORY GRAPHS & TABLES – RESIDENTIAL BUILDING

NORTHERN TERRITORY – RESIDENTIAL BUILDING WORK DONE BY SECTOR

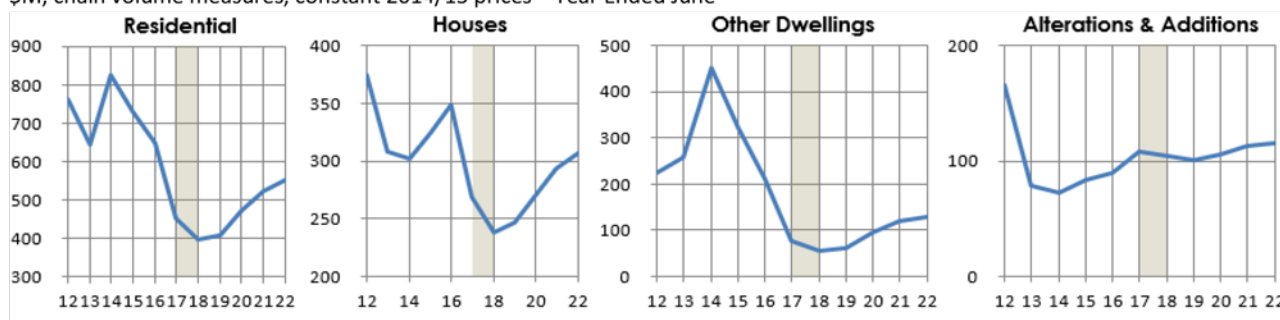
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	814	763	645	826	730	649	454	399	408	470	525	552
%ch	29.0%	-6.3%	-15.4%	28.0%	-11.7%	-11.1%	-30.0%	-12.2%	2.3%	15.3%	11.6%	5.2%
Houses	337	375	308	302	324	348	268	238	247	270	293	307
%ch	1.4%	11.2%	-17.9%	-2.0%	7.3%	7.6%	-22.9%	-11.3%	3.7%	9.3%	8.6%	4.9%
Other Dwellings	233	224	258	452	322	211	77	57	60	94	119	130
%ch	37.5%	-4.0%	15.3%	75.1%	-28.8%	-34.5%	-63.4%	-26.6%	6.0%	57.0%	26.3%	9.1%
Alterations & Additions	247	166	79	73	84	90	109	104	101	106	113	115
%ch	87.1%	-32.7%	-52.3%	-8.3%	15.2%	7.1%	21.4%	-4.0%	-3.0%	5.0%	6.0%	2.0%

Source: Master Builders Australia, Macromonitor, ABS data.

NORTHERN TERRITORY – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



NORTHERN TERRITORY – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

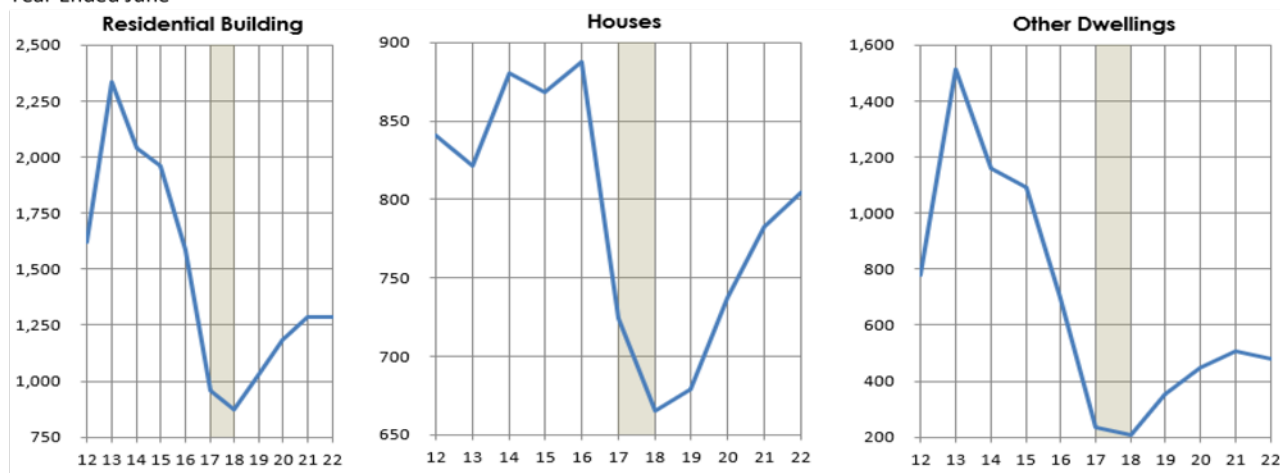
Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	1,663	1,620	2,333	2,040	1,959	1,587	961	874	1,031	1,187	1,289	1,287
%ch	22.5%	-2.6%	44.0%	-12.6%	-4.0%	-19.0%	-39.4%	-9.0%	18.0%	15.1%	8.6%	-0.2%
Houses	798	841	821	880	868	888	724	665	679	738	783	804
%ch	-3.9%	5.4%	-2.4%	7.2%	-1.4%	2.3%	-18.5%	-8.1%	2.1%	8.6%	6.1%	2.8%
Other Dwellings	865	779	1,512	1,160	1,091	699	237	209	352	449	506	482
%ch	63.8%	-9.9%	94.1%	-23.3%	-5.9%	-35.9%	-66.1%	-11.8%	68.4%	27.6%	12.7%	-4.7%

Source: Master Builders Australia, Macromonitor, ABS data.

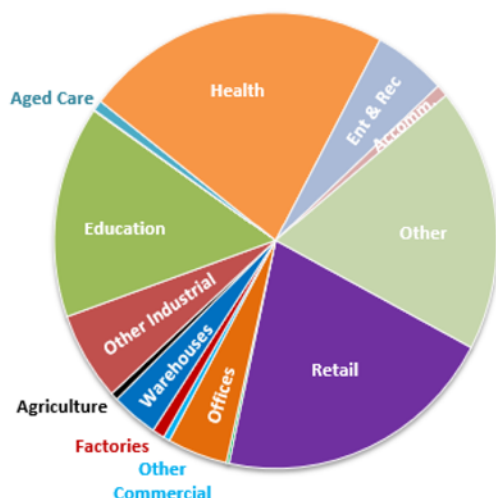
NORTHERN TERRITORY – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June

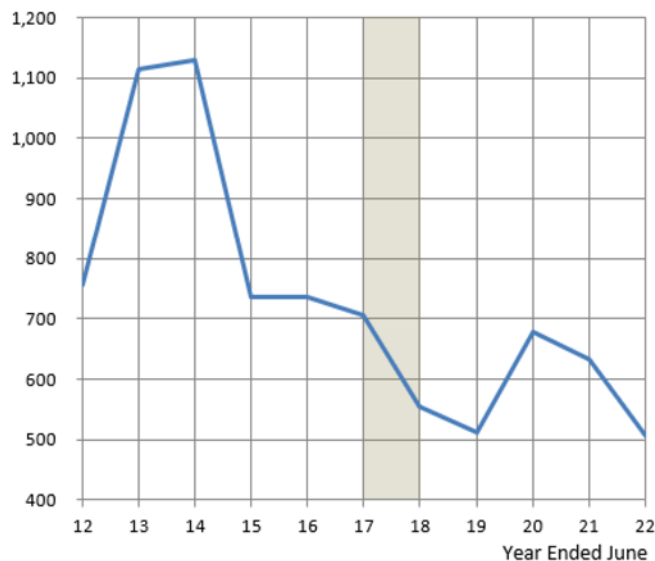


NORTHERN TERRITORY GRAPHS & TABLES – NON-RESIDENTIAL BUILDING

NT Non-Residential Building Work Done 2016/17



Non-Residential Building (\$M)



NORTHERN TERRITORY – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

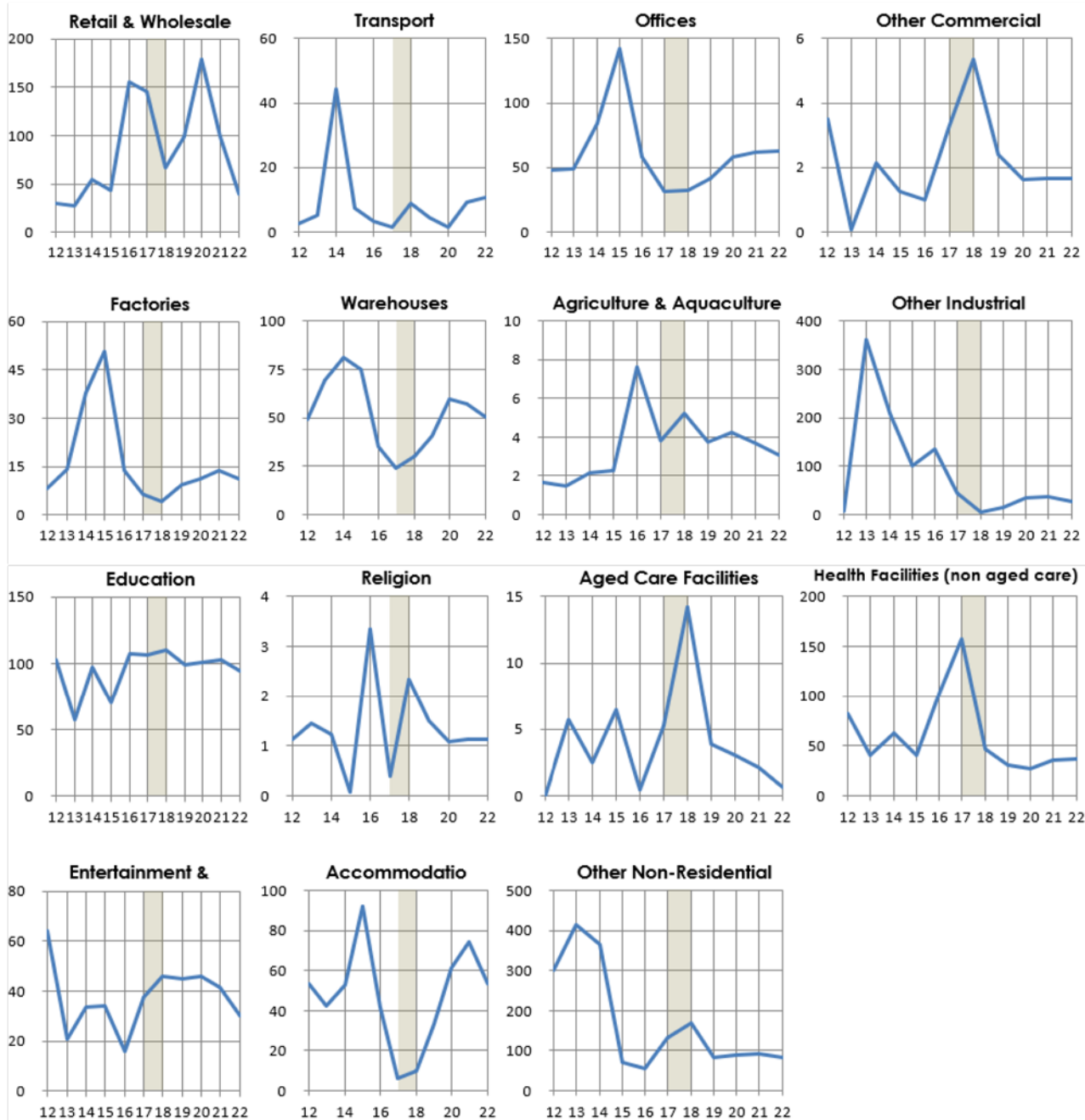
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Residential Building	483	755	1,114	1,130	737	736	707	554	511	678	634	507
%ch	-5.3%	56.3%	47.5%	1.4%	-34.8%	-0.1%	-4.0%	-21.6%	-7.7%	32.6%	-6.5%	-20.1%
Retail & wholesale trade	43	30	28	55	43	155	146	66	99	179	99	40
%ch	17.8%	-30.6%	-7.6%	98.0%	-21.0%	258.4%	-6.2%	-54.4%	49.1%	80.9%	-45.0%	-59.0%
Transport buildings	3	2	5	44	7	3	1	9	4	1	9	11
%ch	-50.7%	-6.6%	112.9%	737.0%	-83.4%	-56.4%	-53.8%	504.9%	-51.5%	-66.7%	549.7%	14.4%
Offices	43	48	49	84	142	58	31	32	42	58	62	63
%ch	-41.6%	10.7%	2.6%	70.5%	69.4%	-59.4%	-46.2%	4.5%	28.7%	39.9%	6.4%	1.3%
Other commercial	1	4		2	1	1	3	5	2	2	2	2
%ch	-85.0%	571.1%	-97.5%	2289.9%	-41.7%	-19.9%	233.5%	60.5%	-55.4%	-32.1%	3.4%	0.0%
Factories	4	8	14	38	51	14	6	4	9	11	14	11
%ch	26.9%	96.8%	71.0%	162.8%	34.7%	-72.5%	-54.8%	-35.4%	128.1%	19.2%	25.5%	-18.6%
Warehouses	34	49	69	81	75	35	24	30	40	59	57	51
%ch	-30.1%	42.5%	42.1%	16.7%	-7.8%	-53.4%	-31.0%	25.3%	34.3%	47.0%	-3.5%	-11.6%
Agriculture and aquaculture	1	2	1	2	2	8	4	5	4	4	4	3
%ch	-9.8%	113.4%	-11.5%	49.5%	5.6%	234.7%	-50.2%	36.6%	-28.4%	13.1%	-12.6%	-16.2%
Other industrial	7	7	362	209	101	135	44	4	14	33	38	27
%ch	138.8%	-0.8%	5310.4%	-42.4%	-51.6%	33.9%	-67.1%	-89.9%	205.3%	143.1%	13.7%	-28.3%
Education	175	103	58	97	70	108	107	110	99	101	103	94
%ch	-17.8%	-41.2%	-44.0%	67.6%	-27.6%	53.6%	-0.9%	2.9%	-10.0%	2.1%	2.1%	-8.7%
Religion		1	1	1		3		2	2	1	1	1
%ch	-81.9%	194.5%	28.6%	-15.2%	-93.1%	3878.2%	-88.4%	501.2%	-35.3%	-27.7%	3.1%	0.0%
Aged care facilities	11	0	6	2	6		5	14	4	3	2	1
%ch	118.6%	-100.0%	#DIV/0!	-56.9%	160.5%	-92.8%	1043.9%	168.8%	-72.8%	-20.3%	-31.3%	-69.5%
Health (non-aged care)	24	82	41	63	40	102	158	46	31	27	36	37
%ch	-21.0%	240.0%	-50.5%	54.3%	-36.2%	155.7%	54.2%	-70.8%	-32.6%	-12.3%	30.9%	4.3%
Entertainment & Recreation	39	64	21	33	34	16	37	46	45	46	41	30
%ch	203.3%	63.2%	-67.2%	59.1%	2.0%	-52.7%	132.2%	22.4%	-2.0%	2.6%	-10.4%	-27.3%
Accommodation	34	53	42	53	92	42	6	10	33	61	74	53
%ch	29.8%	58.1%	-21.0%	25.4%	74.7%	-55.0%	-85.4%	63.9%	230.4%	86.4%	21.4%	-28.4%
Other non-residential	64	302	416	366	71	56	133	169	84	90	92	83
%ch	44.6%	371.5%	37.7%	-12.0%	-80.7%	-20.9%	137.7%	27.2%	-50.5%	7.2%	2.6%	-10.2%

Source: Master Builders Australia, Macromonitor, ABS data.

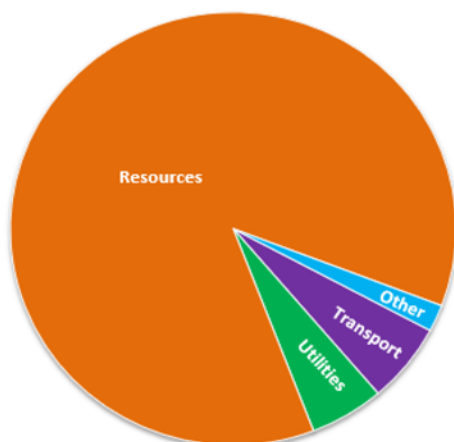
NORTHERN TERRITORY – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June

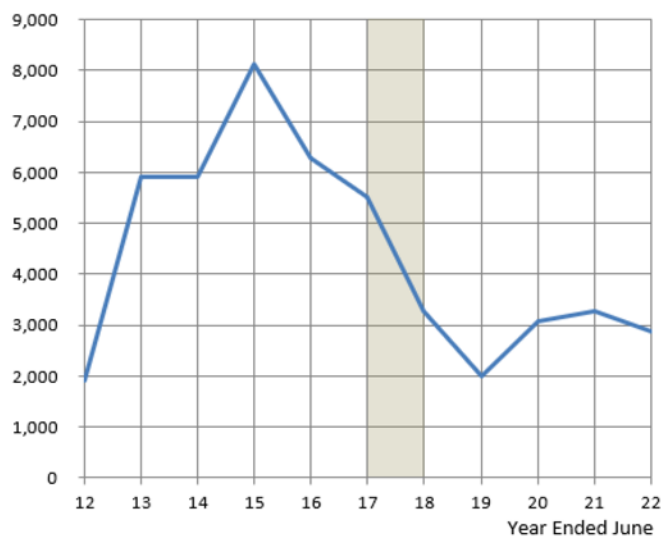


NORTHERN TERRITORY GRAPHS & TABLES – ENGINEERING CONSTRUCTION

NT Engineering Construction Work Done 2016/17



Engineering Construction (\$M)



NORTHERN TERRITORY – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

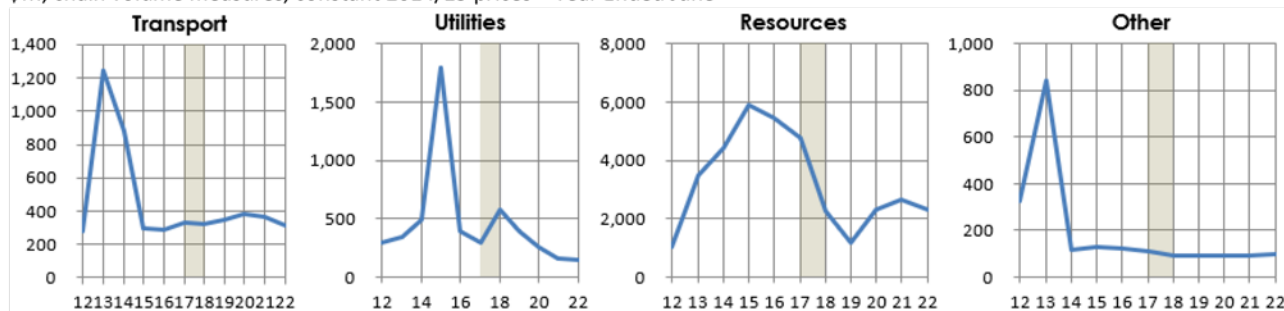
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Engineering Construction	984	1,921	5,902	5,915	8,111	6,274	5,527	3,272	1,992	3,070	3,278	2,874
%ch	-21.0%	95.2%	207.2%	0.2%	37.1%	-22.6%	-11.9%	-40.8%	-39.1%	54.1%	6.8%	-12.3%
Transport	216	277	1,243	879	293	291	330	324	352	386	368	313
%ch	5.3%	28.2%	349.5%	-29.2%	-66.7%	-0.7%	13.3%	-1.7%	8.8%	9.6%	-4.9%	-14.8%
Utilities	204	297	345	497	1,800	389	298	574	388	262	165	150
%ch	6.6%	45.3%	16.1%	44.0%	262.4%	-78.4%	-23.4%	92.5%	-32.4%	-32.6%	-37.1%	-8.9%
Resources	439	1,025	3,474	4,420	5,887	5,472	4,788	2,282	1,160	2,328	2,652	2,316
%ch	-40.5%	133.3%	239.0%	27.2%	33.2%	-7.1%	-12.5%	-52.4%	-49.2%	100.7%	13.9%	-12.7%
Other	125	323	840	118	131	122	110	93	91	94	94	95
%ch	12.4%	158.9%	160.6%	-85.9%	11.0%	-6.9%	-9.5%	-15.8%	-1.9%	2.8%	0.7%	1.1%

Source: Master Builders Australia, Macromonitor, ABS data.

NORTHERN TERRITORY – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
Other dwellings	A building other than a house primarily used for long-term residential purposes and which contains (or has attached to it) more than one dwelling unit (e.g. includes blocks of flats, home units, attached townhouses, semi-detached houses, maisonettes, duplexes, apartment buildings, etc.).
Alterations and Additions	Building activity carried out on existing buildings. Includes adding to or diminishing floor area, altering the structural design of a building and affixing rigid components which are integral to the functioning of the building.
Non-residential building	
Non-residential building	A non-residential building is primarily intended for purposes other than long term residential purposes
Retail & wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Transport buildings	Buildings primarily used in the provision of transport services, and includes the following categories: Passenger transport buildings (e.g. passenger terminals), Non-passenger transport buildings (e.g. freight terminals), Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments), Other transport buildings n.e.c.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other commercial	Building not included in commercial categories above.
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.
Agriculture and aquaculture	Buildings housing, or associated with, agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, grain silo, shearers' quarters).
Other industrial	Building not included in industrial categories listed above.
Education	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Religion	Buildings used for or associated with worship, or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, dormitories).
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Health facilities (non-aged care)	Buildings used in the provision of non-aged care medical services (e.g. nurses quarters, laboratories, clinics).
Entertainment & Recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Accommodation	Buildings primarily providing short-term or temporary accommodation, and includes the following categories: Self-contained, short term apartments (e.g. serviced apartments), Hotels (predominantly accommodation), motels, boarding houses, cabins, Other short term accommodation n.e.c. (e.g. migrant hostels, youth hostels, lodges).
Other non-residential	Building not included in categories listed above.
Engineering Construction	
Transport	Includes roads, bridges, railways, harbours
Utilities	Includes water, wastewater, electricity, gas pipelines, telecommunications
Resources	Includes oil, gas and other hydrocarbons; bauxite, alumina and aluminium; coal and coal handling; other minerals and heavy industry.
Other engineering construction	Construction of facilities not involved in categories listed above.

Disclaimer

While every care has been taken in preparing this document, Master Builders Australia will not accept responsibility for actions taken in reliance upon information contained in this document.

The forecasts presented in this publication were developed. The forecasts presented in this publication are subject to unavoidable statistical variation. While all care has been taken to ensure that the statistical variation is kept to a minimum, care should be taken whenever using this information. The interpretation and conclusions presented in this publication are those of the author(s).



MASTER BUILDERS
A U S T R A L I A

BUILDING & CONSTRUCTION

Industry Forecasts

ACT

December 2017



\$200,000 to \$400,000, National Alterations & Additions Award
Drewaire Constructions Pty Ltd

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MASTER BUILDERS
A U S T R A L I A

INTRODUCTION

Master Builders is the peak national association for the building and construction industry in Australia. Master Builders' primary role is to champion the interests of the building and construction industry, representing residential and commercial building, and engineering construction.

Master Builders has more than 33,000 member companies with representation in every State and Territory in Australia, the great majority of which, by number, are small to medium sized enterprises. Master Builders' membership consists of large national, international, residential and commercial builders and civil contractors through to smaller local subcontracting firms, as well as suppliers and professional industry advisers. Membership of Master Builders represents 95 per cent of all sectors of the building and construction industry.

The building and construction industry is the second largest industry in Australia, accounting for 8.1 per cent of Gross Domestic Product and provides jobs for close to 1.1 million Australians – 8.9 per cent of total employment in Australia.

Owner-occupied housing and other property investments account for over two-thirds of the asset portfolio and wealth of ordinary Australians.

The building and construction industry is made up of approximately 345,000 businesses of which 95 per cent are small businesses and independent contractors. Combined, these businesses employ 670,000 workers including 70,000 apprentices.

These forecasts have been prepared in conjunction with Macromonitor Pty Ltd. Macromonitor is one of Australia's leading industry research and forecasting firms, specialising in the building and construction sector.

For more information see www.masterbuilders.com.au, or send enquiries to enquiries@masterbuilders.com.au

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AUSTRALIAN CAPITAL TERRITORY COMMENTARY

HOUSING DIP TO CHALLENGE GROWTH PROSPECTS GOING FORWARD

The ACT is a one company town, but the Federal Government is the biggest business in the country, so the recent uptick in spending and hiring is a strong driver of prosperity in the ACT. The last Budget didn't cut spending, while raising taxes in other areas has meant more money for government programs, and the set of agencies to support these programs.

A number of key economic indicators continued to track above the national average over the past 12 month including; retail sales – helped along by new housing construction and the associated bump to household goods sales, car sales, high small business confidence, and population growth which was second only to Victoria last year.

This combination of factor has supported activity across a number of sectors, including new housing construction. As is the case nationally, growth in new housing construction has slowed sharply, dragging down economic growth along with it.

Despite the boom in new housing construction in the past couple of years, rents in the ACT are second only to Sydney – yes you heard that right, it's more expensive to rent in Canberra than in inner city Melbourne. Increases in local government property taxes are not helping here, hitting rents and affordability in the housing sector.

Total residential building activity is expected to fall by 1.3% in 2017-18, taking away one of the strongest growth drivers of the ACT economy in recent years. The construction of new houses is expected to suffer most, expected to fall by 11.2%, while the apartments market will provide some offset, with growth of 2.4% estimated for the year ahead.

Engineering construction – a perennial underperformer in the ACT – is expected to spike in 2018-19 as major works on the Capital City Metro project ramps up. Engineering construction activity is expected to grow by 22.4% in 2017-18, with work on transport projects to be around \$400 million.

The \$700 million Capital Metro project is the largest single engineering project ever undertaken by the ACT Government. This project accounts for more than \$3 in

every \$4 of projects planned and under construction in the ACT engineering sector. There is however some speculation that other works are being crowded out, with proposed projects like the new Civic Stadium being pushed back.

Non-residential building in 2017-18 is also slated to record one of the strongest years in terms of growth for some time. Supported by a collection of projects, which combined are worth close to \$2 billion, the value of non-residential building activity in the ACT over the next 12 months is predicted to be the highest in five years.

Non-residential construction work is led by the ongoing development of a business and research precinct between the city centre and the Australian National University, worth \$600 million. Meanwhile, work is about to commence on a \$132 million expansion of Goodwin Village Farrer, while construction is set to commence on a \$300 million expansion at Canberra Casino in the coming months.

ACT FORECASTS

Year Ended June	2017-18	2018-19	2019-20	2020-21	2021-22
Number Commenced:					
Residential Building	4,744	3,885	3,886	4,066	3,882
%ch	-0.4%	-18.1%	0.0%	4.7%	-4.5%
Value of Work Done:					
<i>\$M, chain volume measures, constant 2014/15 prices</i>					
Total Building & Construction	3,600	3,222	2,906	2,992	2,973
%ch	6.7%	-10.5%	-9.8%	3.0%	-0.6%
Residential Building	1,563	1,428	1,355	1,412	1,421
%ch	-1.3%	-8.6%	-5.1%	4.3%	0.6%
Non-Residential Building	915	931	776	804	888
%ch	4.6%	1.7%	-16.6%	3.6%	10.5%
Engineering Construction	1,121	864	775	775	663
%ch	22.4%	-22.9%	-10.3%	0.1%	-14.5%

Source: Master Builders Australia, Macromonitor, ABS data.

AUSTRALIAN CAPITAL TERRITORY GRAPHS & TABLES – RESIDENTIAL BUILDING

AUSTRALIAN CAPITAL TERRITORY – RESIDENTIAL BUILDING WORK DONE BY SECTOR

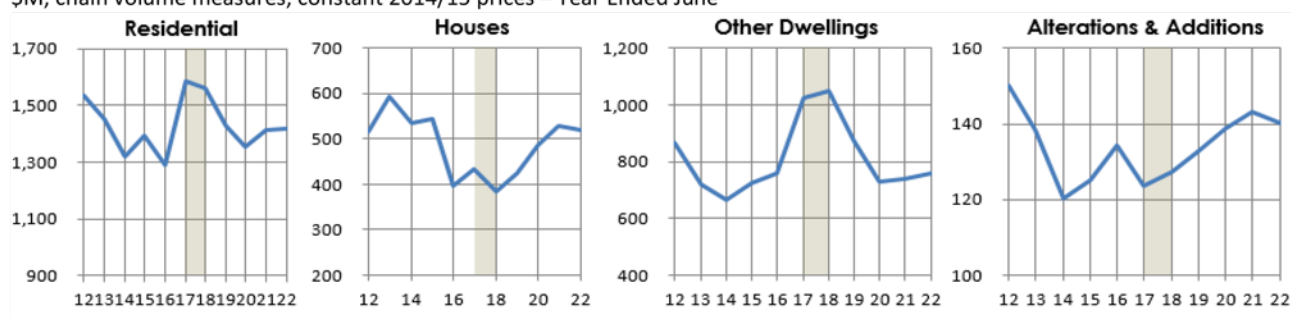
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	1,426	1,534	1,451	1,320	1,392	1,292	1,584	1,563	1,428	1,355	1,412	1,421
%ch	23.3%	7.6%	-5.4%	-9.0%	5.4%	-7.2%	22.5%	-1.3%	-8.6%	-5.1%	4.3%	0.6%
Houses	577	517	595	535	544	397	434	386	423	484	528	520
%ch	3.1%	-10.4%	15.1%	-10.0%	1.7%	-27.0%	9.3%	-11.2%	9.8%	14.4%	9.1%	-1.6%
Other Dwellings	687	869	718	665	723	761	1,026	1,050	872	732	741	761
%ch	49.5%	26.5%	-17.4%	-7.4%	8.7%	5.2%	34.9%	2.4%	-17.0%	-16.1%	1.3%	2.7%
Alterations & Additions	162	150	139	120	125	134	123	127	133	139	143	140
%ch	19.5%	-7.1%	-7.7%	-13.2%	4.0%	7.4%	-8.1%	3.0%	4.5%	4.5%	3.0%	-2.0%

Source: Master Builders Australia, Macromonitor, ABS data.

AUSTRALIAN CAPITAL TERRITORY – RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



AUSTRALIAN CAPITAL TERRITORY – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

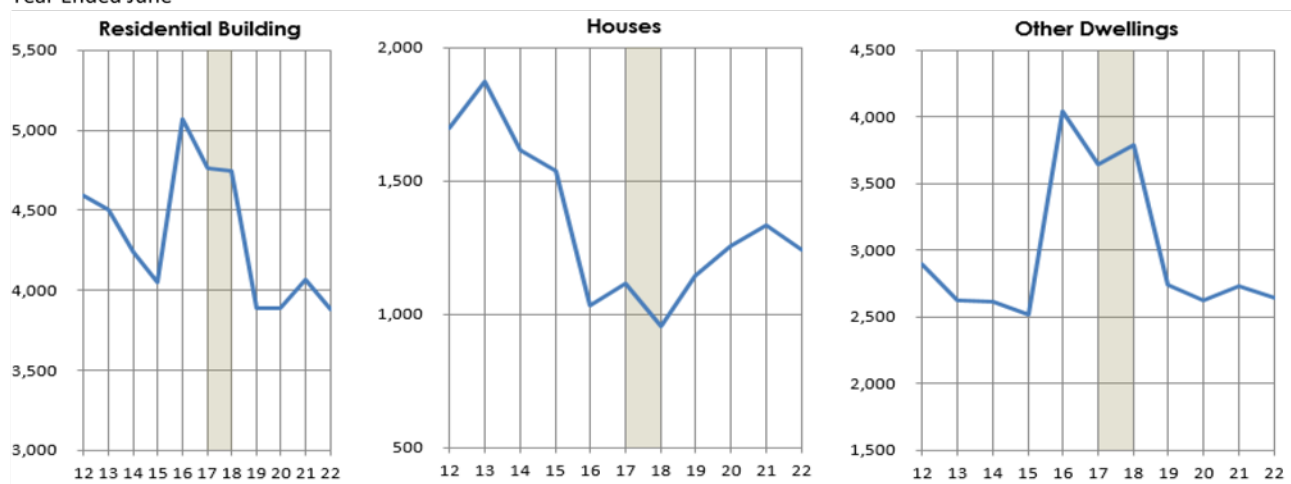
Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential Building	5,106	4,595	4,499	4,235	4,052	5,073	4,765	4,744	3,885	3,886	4,066	3,882
%ch	15.4%	-10.0%	-2.1%	-5.9%	-4.3%	25.2%	-6.1%	-0.4%	-18.1%	0.0%	4.7%	-4.5%
Houses	1,869	1,696	1,872	1,616	1,538	1,031	1,117	954	1,145	1,257	1,333	1,244
%ch	-15.2%	-9.3%	10.4%	-13.7%	-4.8%	-33.0%	8.3%	-14.6%	20.0%	9.8%	6.1%	-6.7%
Other Dwellings	3,237	2,899	2,627	2,619	2,514	4,042	3,648	3,790	2,740	2,628	2,733	2,639
%ch	45.7%	-10.4%	-9.4%	-0.3%	-4.0%	60.8%	-9.7%	3.9%	-27.7%	-4.1%	4.0%	-3.4%

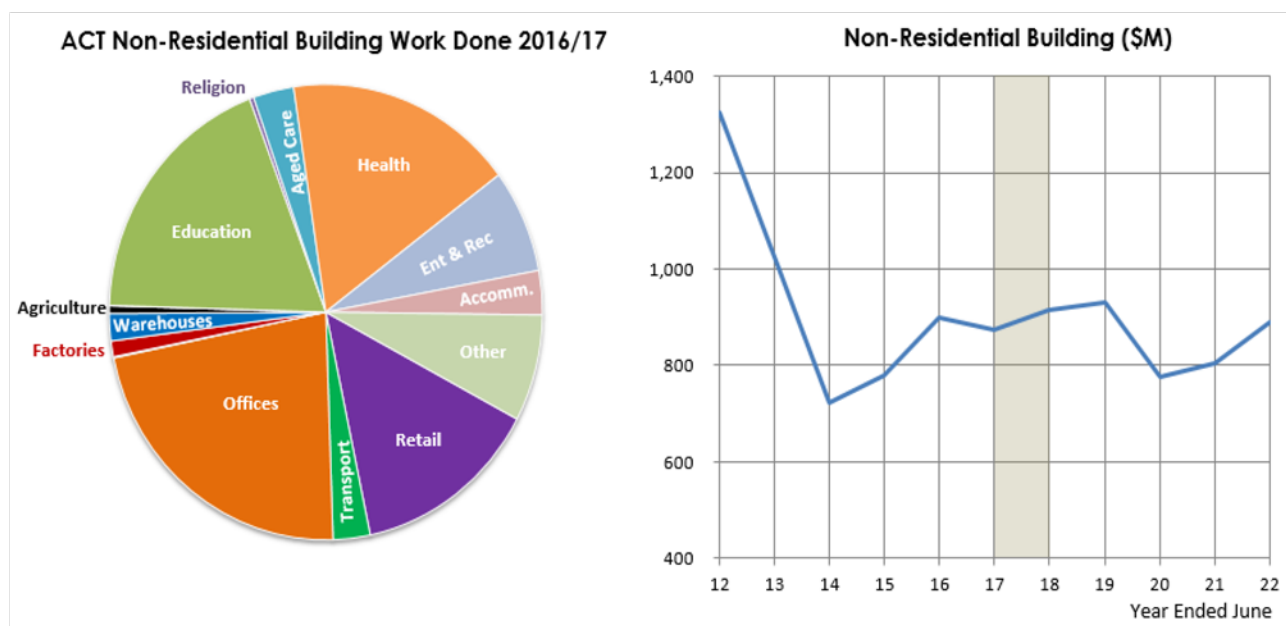
Source: Master Builders Australia, Macromonitor, ABS data.

AUSTRALIAN CAPITAL TERRITORY – NUMBER OF DWELLING COMMENCEMENTS BY SECTOR

Year Ended June



AUSTRALIAN CAPITAL TERRITORY GRAPHS & TABLES – NON-RESIDENTIAL BUILDING



AUSTRALIAN CAPITAL TERRITORY – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

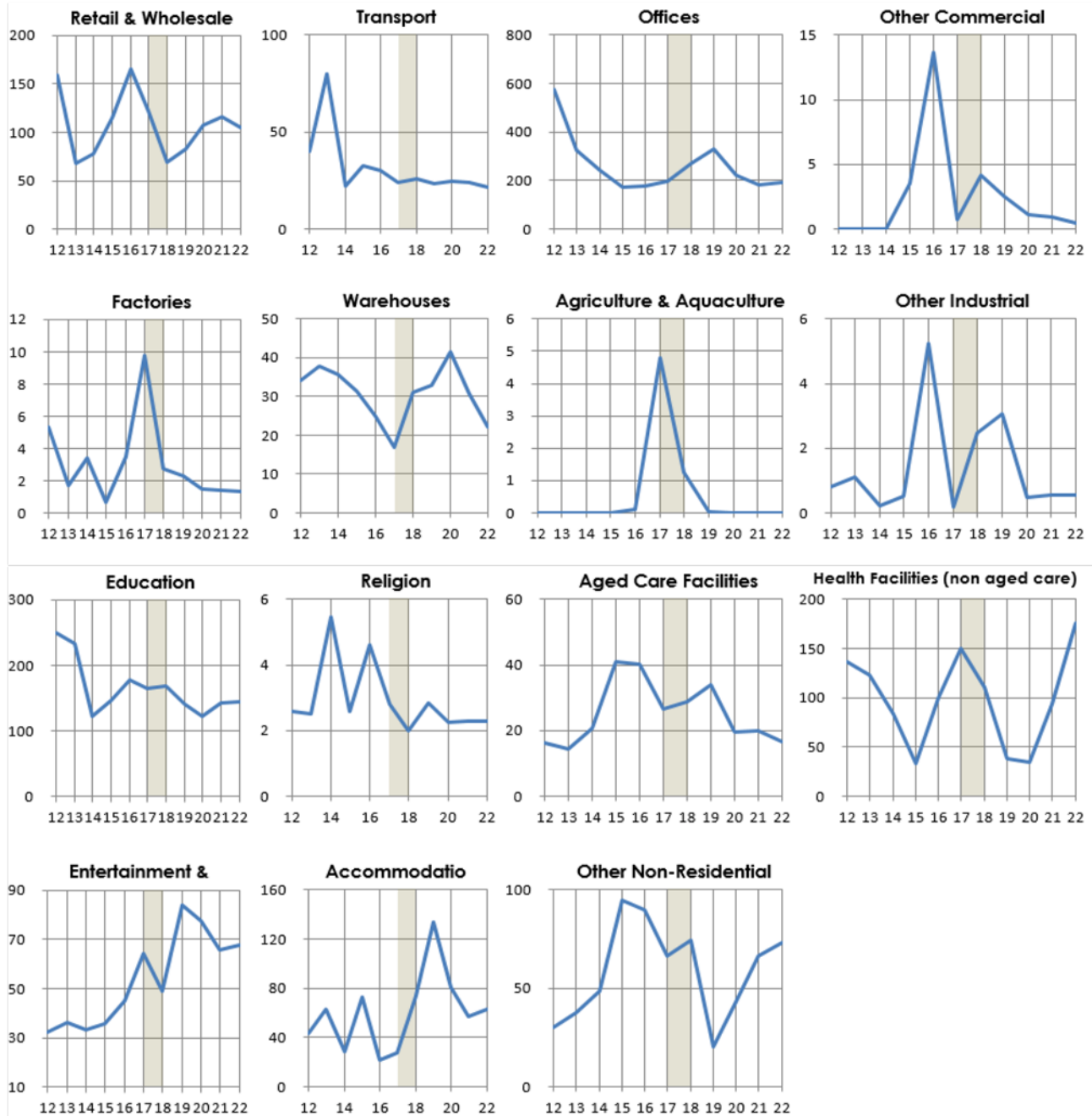
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Residential Building	1,382	1,325	1,025	724	779	898	875	915	931	776	804	888
%ch	0.6%	-4.2%	-22.6%	-29.4%	7.7%	15.3%	-2.6%	4.6%	1.7%	-16.6%	3.6%	10.5%
Retail & wholesale trade	153	159	68	78	115	165	122	70	83	107	116	105
%ch	186.0%	3.9%	-56.9%	14.3%	46.6%	44.1%	-26.2%	-42.8%	19.4%	29.2%	7.8%	-9.0%
Transport buildings	92	40	80	22	33	30	24	26	23	24	24	22
%ch	-41.9%	-57.0%	102.1%	-72.1%	46.5%	-7.3%	-20.2%	6.0%	-8.4%	3.7%	-1.7%	-9.6%
Offices	506	575	325	241	170	176	195	271	329	219	182	194
%ch	-22.1%	13.5%	-43.4%	-26.0%	-29.4%	3.7%	10.9%	38.7%	21.6%	-33.5%	-16.9%	6.4%
Other commercial	0	0	0	0	3	14	1	4	3	1	1	
%ch					293.9%	-94.9%	494.8%	-38.9%	-57.8%	-11.3%	-53.9%	
Factories	2	5	2	3	1	3	10	3	2	2	1	1
%ch	-24.8%	150.4%	-68.1%	101.2%	-79.6%	395.9%	181.9%	-71.7%	-16.5%	-33.3%	-4.8%	-7.8%
Warehouses	51	34	38	36	31	25	17	31	33	41	31	22
%ch	81.6%	-32.5%	10.8%	-6.2%	-11.6%	-20.8%	-32.2%	83.7%	5.9%	26.4%	-26.1%	-27.8%
Agriculture and aquaculture	0	0	0	0	0		5	1		0	0	0
%ch	-100.0%					3858.8%	-74.1%	-98.5%	-100.0%			
Other industrial	2	1	1		1	5		2	3		1	1
%ch	906.8%	-63.4%	37.3%	-81.8%	149.0%	938.7%	-96.4%	1202.1%	24.0%	-83.9%	13.3%	0.0%
Education	430	249	234	123	146	178	165	169	141	122	144	145
%ch	20.0%	-42.0%	-6.2%	-47.6%	19.1%	22.2%	-7.7%	2.8%	-16.5%	-13.4%	17.4%	0.7%
Religion	3	3	3	5	3	5	3	2	3	2	2	2
%ch	-58.6%	-8.9%	-2.9%	117.4%	-52.8%	78.1%	-39.3%	-28.8%	42.1%	-21.0%	1.5%	0.0%
Aged care facilities	6	16	14	21	41	40	26	29	34	20	20	16
%ch	78.8%	163.2%	-11.7%	42.9%	99.3%	-1.4%	-34.4%	8.6%	18.1%	-42.1%	0.9%	-17.3%
Health (non-aged care)	34	137	123	84	33	100	150	110	38	35	93	176
%ch	13.7%	302.1%	-10.0%	-31.9%	-60.6%	203.7%	49.5%	-26.3%	-65.1%	-10.0%	168.4%	89.2%
Entertainment & Recreation	29	32	36	33	36	45	64	49	84	78	66	68
%ch	-43.3%	10.8%	11.9%	-8.7%	8.3%	25.6%	42.6%	-23.4%	70.2%	-7.3%	-15.3%	3.1%
Accommodation	34	44	63	29	73	21	27	74	133	81	57	63
%ch	67.3%	30.2%	44.3%	-54.0%	151.9%	-71.1%	30.1%	170.0%	79.9%	-39.4%	-29.0%	9.6%
Other non-residential	40	30	37	49	95	90	66	74	20	43	66	73
%ch	288.5%	-25.4%	24.8%	30.1%	94.3%	-5.4%	-26.1%	11.8%	-72.9%	115.0%	53.6%	10.1%

Source: Master Builders Australia, Macromonitor, ABS data.

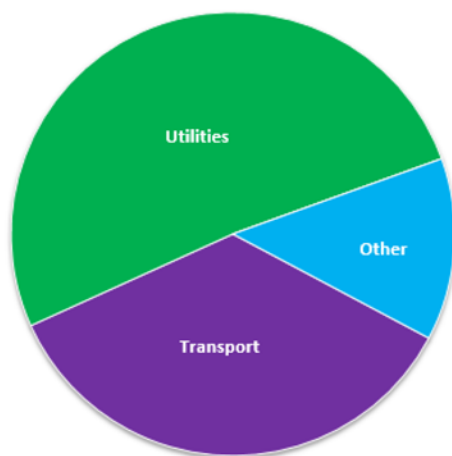
AUSTRALIAN CAPITAL TERRITORY – NON-RESIDENTIAL BUILDING WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June

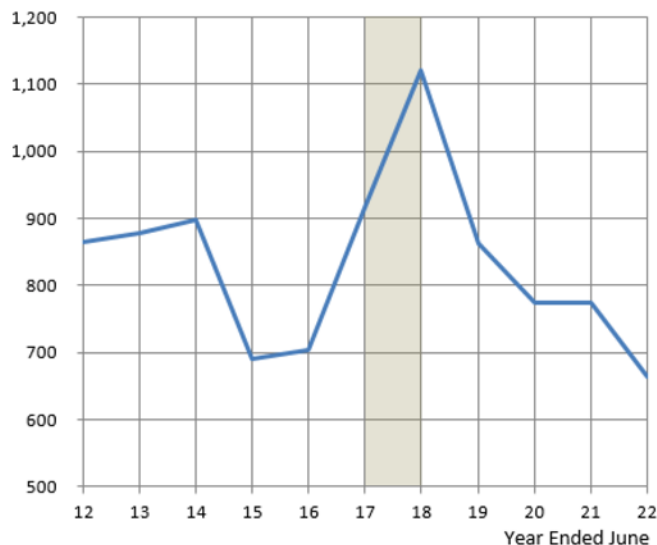


AUSTRALIAN CAPITAL TERRITORY GRAPHS & TABLES – ENGINEERING CONSTRUCTION

ACT Engineering Construction Work Done 2016/17



Engineering Construction (\$M)



AUSTRALIAN CAPITAL TERRITORY – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

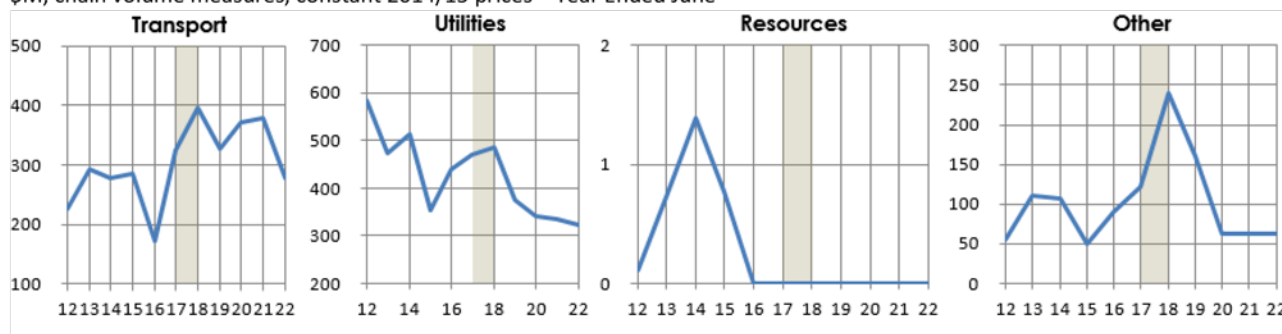
\$M, chain volume measures, constant 2014/15 prices – Year Ended June

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Engineering Construction	843	866	878	899	691	704	916	1,121	864	775	775	663
%ch	60.4%	2.7%	1.4%	2.4%	-23.1%	1.9%	30.1%	22.4%	-22.9%	-10.3%	0.1%	-14.5%
Transport	262	228	293	277	286	173	325	397	327	372	379	278
%ch	126.6%	-13.2%	28.7%	-5.4%	3.4%	-39.4%	87.2%	22.2%	-17.5%	13.6%	2.0%	-26.6%
Utilities	552	584	474	514	354	440	470	485	376	340	334	322
%ch	43.1%	5.8%	-18.7%	8.3%	-31.2%	24.4%	6.7%	3.3%	-22.4%	-9.6%	-1.8%	-3.6%
Resources			1	1	1	0	0	0	0	0	0	0
%ch	195.1%	-72.8%	552.2%	89.8%	-44.0%	-100.0%						
Other	29	55	110	107	50	91	122	239	160	63	62	63
%ch	18.6%	88.6%	101.5%	-2.9%	-53.0%	80.5%	34.2%	96.6%	-33.1%	-60.4%	-1.5%	1.0%

Source: Master Builders Australia, Macromonitor, ABS data.

AUSTRALIAN CAPITAL TERRITORY – ENGINEERING CONSTRUCTION WORK DONE BY SECTOR

\$M, chain volume measures, constant 2014/15 prices – Year Ended June



DEFINITIONS

ABS Sectors

Residential Building	
Houses	A house is a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. Thus, detached 'granny flats' and detached dwelling units (such as caretakers' residences) associated with non-residential buildings are defined as houses for the purpose of these statistics.
Other dwellings	A building other than a house primarily used for long-term residential purposes and which contains (or has attached to it) more than one dwelling unit (e.g. includes blocks of flats, home units, attached townhouses, semi-detached houses, maisonettes, duplexes, apartment buildings, etc.).
Alterations and Additions	Building activity carried out on existing buildings. Includes adding to or diminishing floor area, altering the structural design of a building and affixing rigid components which are integral to the functioning of the building.
Non-residential building	
Non-residential building	A non-residential building is primarily intended for purposes other than long term residential purposes
Retail & wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Transport buildings	Buildings primarily used in the provision of transport services, and includes the following categories: Passenger transport buildings (e.g. passenger terminals), Non-passenger transport buildings (e.g. freight terminals), Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments), Other transport buildings n.e.c.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other commercial	Building not included in commercial categories above.
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.
Agriculture and aquaculture	Buildings housing, or associated with, agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, grain silo, shearers' quarters).
Other industrial	Building not included in industrial categories listed above.
Education	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Religion	Buildings used for or associated with worship, or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, dormitories).
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Health facilities (non-aged care)	Buildings used in the provision of non-aged care medical services (e.g. nurses quarters, laboratories, clinics).
Entertainment & Recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Accommodation	Buildings primarily providing short-term or temporary accommodation, and includes the following categories: Self-contained, short term apartments (e.g. serviced apartments), Hotels (predominantly accommodation), motels, boarding houses, cabins, Other short term accommodation n.e.c. (e.g. migrant hostels, youth hostels, lodges).
Other non-residential	Building not included in categories listed above.
Engineering Construction	
Transport	Includes roads, bridges, railways, harbours
Utilities	Includes water, wastewater, electricity, gas pipelines, telecommunications
Resources	Includes oil, gas and other hydrocarbons; bauxite, alumina and aluminium; coal and coal handling; other minerals and heavy industry.
Other engineering construction	Construction of facilities not involved in categories listed above.

Disclaimer

While every care has been taken in preparing this document, Master Builders Australia will not accept responsibility for actions taken in reliance upon information contained in this document.

The forecasts presented in this publication were developed. The forecasts presented in this publication are subject to unavoidable statistical variation. While all care has been taken to ensure that the statistical variation is kept to a minimum, care should be taken whenever using this information. The interpretation and conclusions presented in this publication are those of the author(s).