



Overview

On 12 October 2016, the Australian Bureau of Statistics (ABS) released Building Activity, Australia, June quarter 2016 (ABS cat. 8752.0). This publication summarises the construction of buildings in Australia, classified by type of building.

All figures presented here are in real terms, adjusted for price changes using a deflator calculated by dividing the current value of building work done in each quarter by the equivalent chain volume measure. Note that previous issues of this statistical alert presented some data in nominal terms, i.e. without adjustments for price changes.

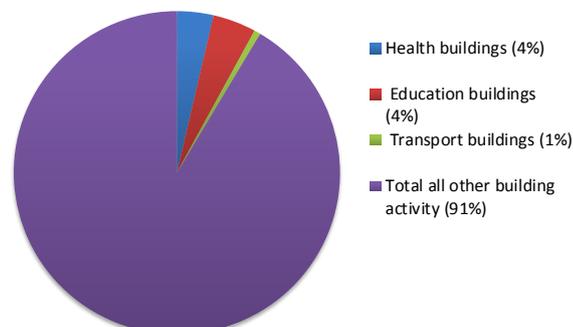
Summary

- Building construction work done increased by 10.6 per cent to \$27.9 billion in the June quarter 2016, relative to the previous quarter.
- Building construction work commenced (a short-term indicator of the future pipeline of projects) decreased by 10.0 per cent to \$26.1 billion in the June quarter 2016, relative to the previous quarter.
- Building construction work yet to be done (a longer-term indicator of the future pipeline of projects) decreased by 2.8 per cent to \$57.0 billion in the June quarter 2016, relative to the March quarter 2016.

While the original data suggests a significant increase in recent building construction work done, the trend and seasonally adjusted quarterly figures suggest a more gradual increase.

This alert summarises a small component of the ABS release related to building activity for transport, education and health facilities. The pie chart below shows that the total value of work done on transport, education and health buildings (in the June quarter) is only 9 per cent of all building types summarised in the ABS data.

Value of work done on health, education and transport buildings (June Qtr 2016)



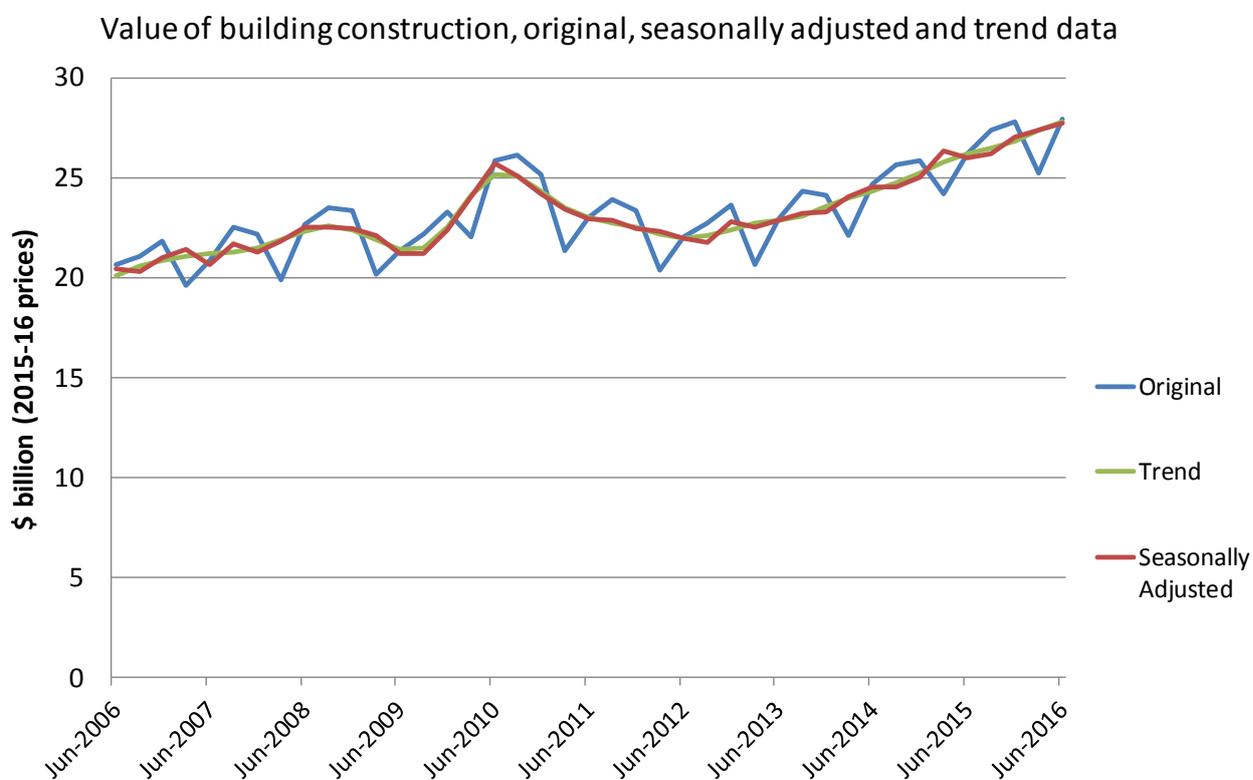
Building construction by data type

The ABS releases three forms of data including seasonally adjusted, trend and original.

Seasonally adjusted statistics reflect irregular movements but are smoothed for seasonal changes. Seasonally adjusted building construction value of work done increased by 1.2 per cent to \$26.1 billion in the June quarter 2016, relative to the previous quarter.

Trend estimates are derived from the seasonally adjusted data and smoothed to reduce the impact of irregular changes. Relative to the March quarter 2016, the trend estimate for building construction increased by 1.5 per cent to \$26.1 billion in the June quarter.

The original data set is unadjusted (except for price). The original data increased by 10.6 per cent to \$26.3 billion in the June quarter, relative to the previous quarter. The remainder of this release will use original data (where available) to capture the impact of seasonal variations and individual projects.



Source: Building Activity, Australia (ABS cat. no 8752.0)
 Note: Adjusted for price changes

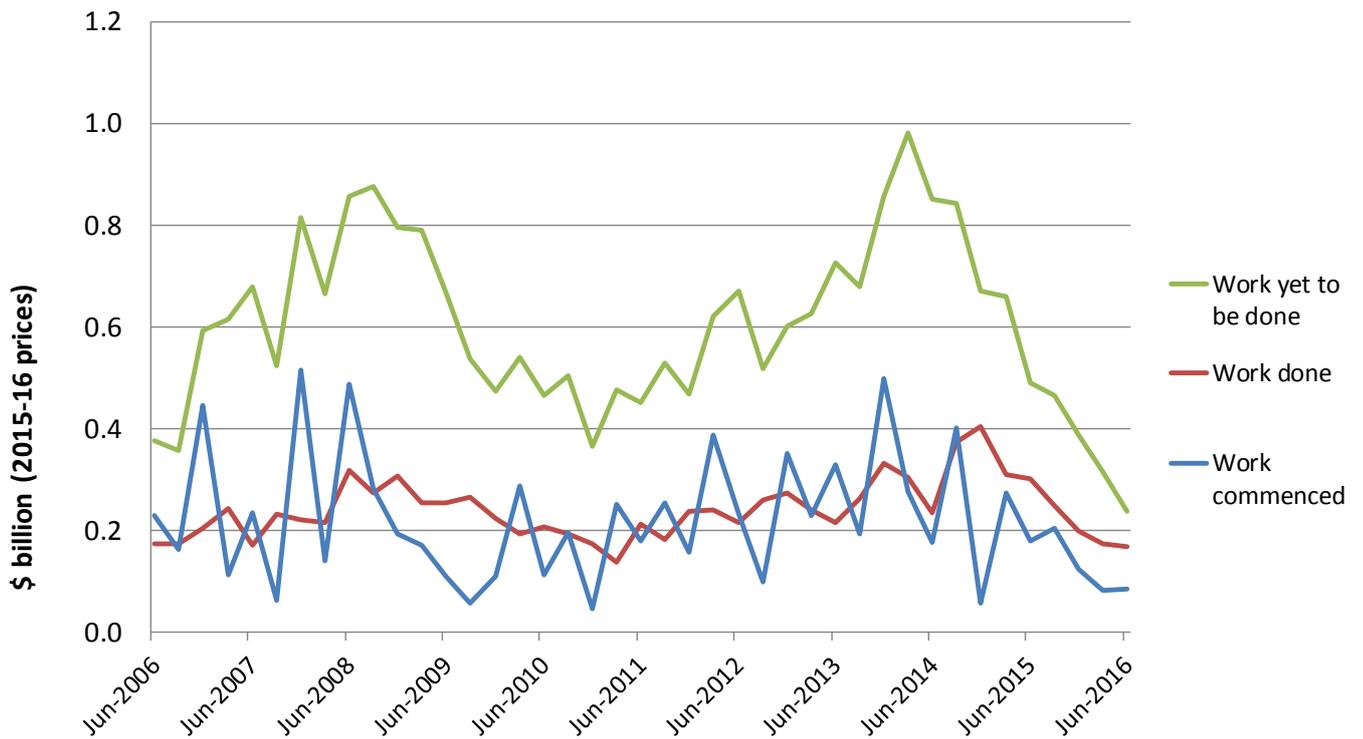
Transport buildings construction¹

Transport building construction are subject to large quarterly fluctuations. Construction work done on transport buildings decreased by 3.1 per cent to \$0.17 billion in the June quarter 2016 compared to the March quarter 2016.

Construction commencements for transport buildings increased in the June quarter by 3.2 per cent to \$0.08 billion.

The value of work yet to be done decreased by 24.1 per cent to \$0.2 billion in the June quarter 2016.

Transport buildings - stage of construction, original data



Source: Building Activity, Australia (ABS cat. no. 8752.0)
 Note: Adjusted for price changes

¹ ABS defines transport buildings as non-residential buildings where the intended major function is directly related to transport (e.g. terminals, railway stations, bus shelters etc).

Education facilities

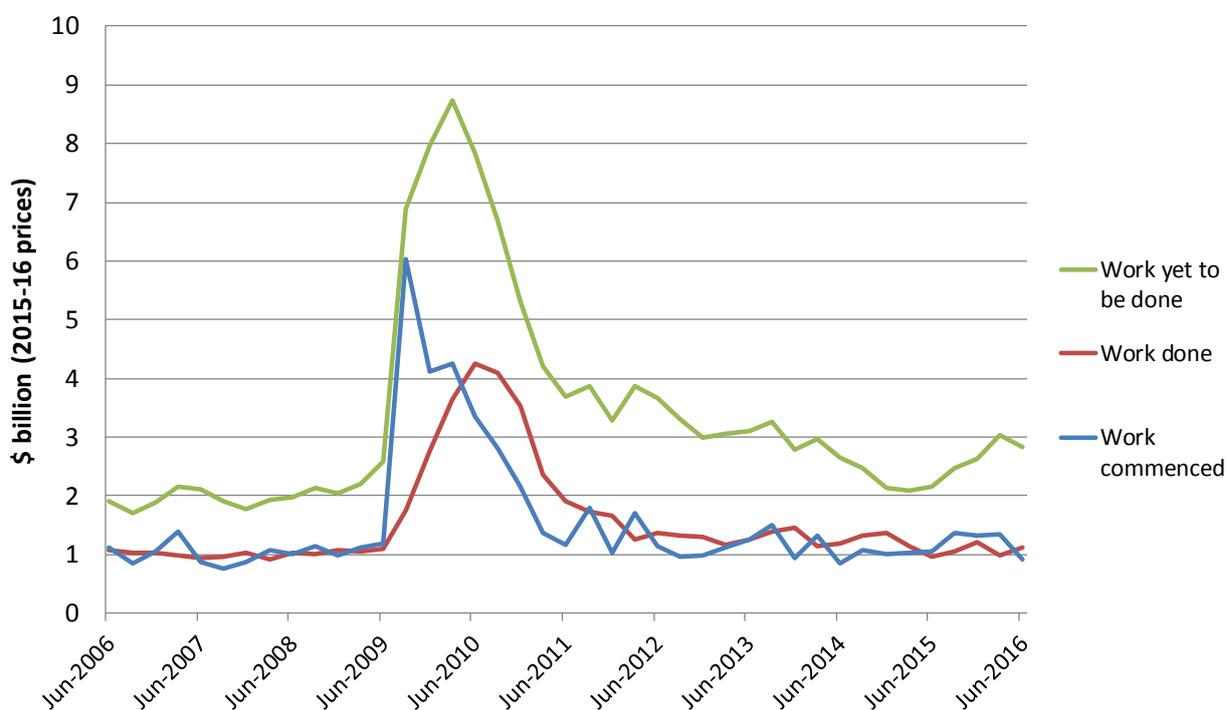
There has been a trend reduction in education building work since late 2010—returning construction work to pre-GFC (Global Financial Crisis) stimulus levels.

The value of work done in the June quarter 2016 increased by 14.2 per cent, relative to the March quarter 2016, to \$1.1 billion.

In the June quarter 2016, the value of construction commenced decreased by 31.6 per cent to \$0.9 billion compared to the previous quarter. This indicator peaked at \$6.0 billion in September quarter 2009.

The value of work yet to be done decreased by 6.5 per cent to \$2.8 billion in the June quarter 2016.

Education buildings - stage of construction, original data



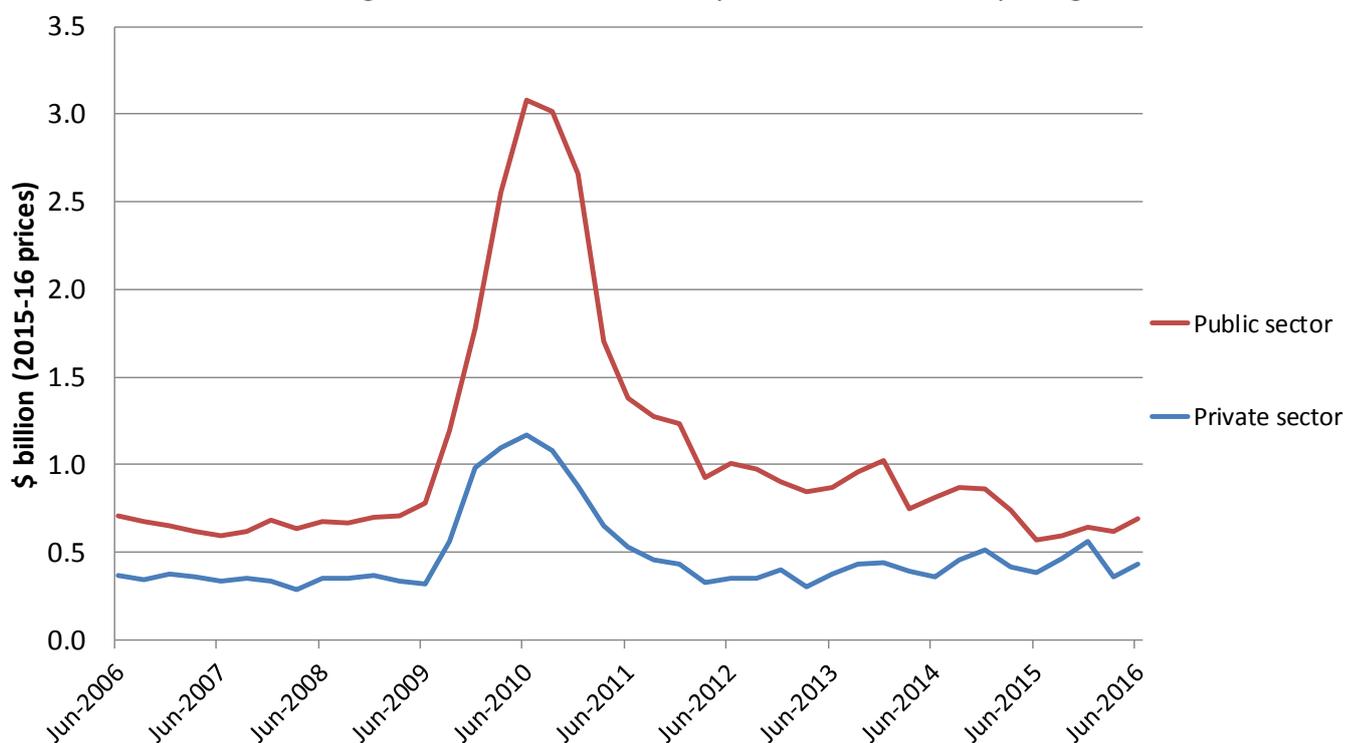
Source: Building Activity, Australia (ABS cat. no. 8752.0)
 Note: Adjusted for price changes

Education facilities by sector

In the June quarter 2016, the value of work done on public sector education building increased by 11.0 per cent, relative to the March quarter 2016, to \$0.69 billion. Public sector construction peaked at \$3.08 billion in the June quarter 2010.

The value of privately-owned education building construction work increased by 19.7 per cent to \$0.43 billion in the June quarter.

Education buildings - value of work done, by sector of ownership, original data



Source: Building Activity, Australia (ABS cat. no 8752.0)

Note: Adjusted for price changes

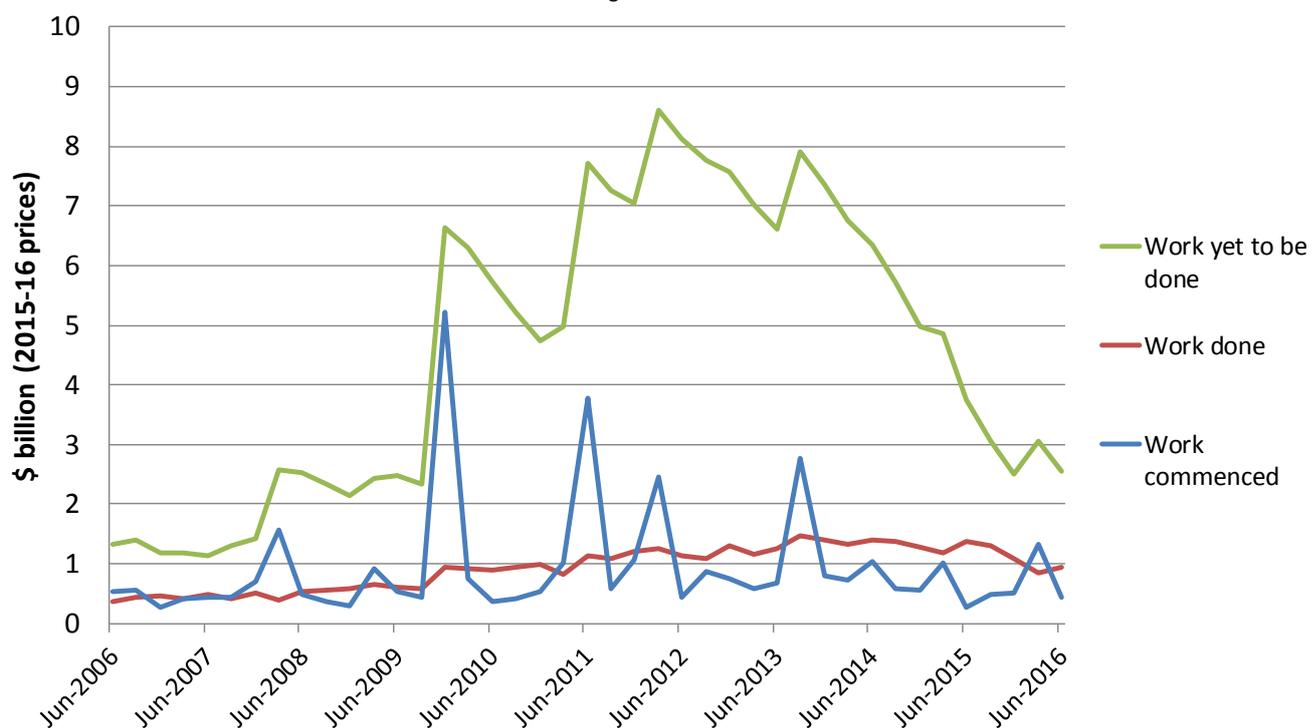
Health facilities

In the June quarter 2016 the value of:

- work done on health facilities increased by 13 per cent, relative to the March quarter 2016, to \$0.95 billion;
- construction work commenced decreased by 66 per cent to \$0.4 billion; and
- work yet to be done decreased by 17 per cent to \$2.5 billion.

Health buildings - stage of construction, original data

excludes aged care facilities



Source: Building Activity, Australia (ABS cat. no 8752.0)

Note: Adjusted for price changes

Glossary

Building construction	A building is a rigid, fixed and permanent structure which has a roof. Its intended purpose is primarily to house people, plant, machinery, vehicles, goods or livestock.
Value of work done	This is the value of the output for the quarter. The value of work done for the private sector consists of the value of work done on prime contracts, plus speculative contracts, plus work done on own account. The value of work done for the public sector is the work done by the organisation's own workforce and subcontractors.
Value of work commenced	Is a short-term indicator of the future pipeline of projects (outlook). Projects that have commenced when site work begins.
Value of work yet to be done	Is a long-term indicator of the future pipeline of projects (outlook). The value of outstanding work for the project at the end of the period.

Next scheduled release

18 January 2017 - Building Activity, Australia - ABS cat. 8752.0 (September quarter 2016)

Related releases

28 October 2016 - Producer Price Indexes, Australia - ABS cat. 6427.0 (September quarter 2016)

23 November 2016 - Construction Work Done, Australia - ABS cat. 8755.0 (September quarter 2016)

18 January 2017 - Engineering Construction Activity, Australia - ABS cat. 8762.0 (September quarter 2016)

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