



BITRE STATISTICAL ALERT

Construction Work Done, Australia (ABS cat. no. 8755.0)
September Quarter 2016

23 November 2016

Overview

On 23 November 2016, the Australian Bureau of Statistics (ABS) released the September quarter 2016 edition of Construction Work Done, Australia (ABS cat. no. 8755.0). This release presents preliminary estimates of building and engineering construction work done during the quarter derived from the quarterly Building Activity Survey and the quarterly Engineering Construction Survey.

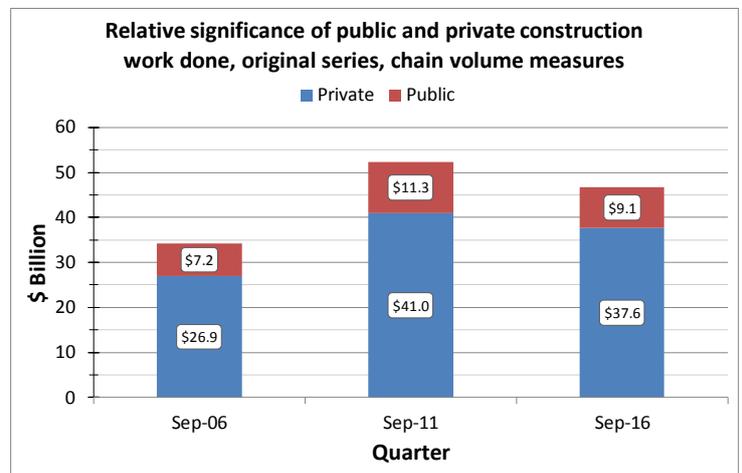
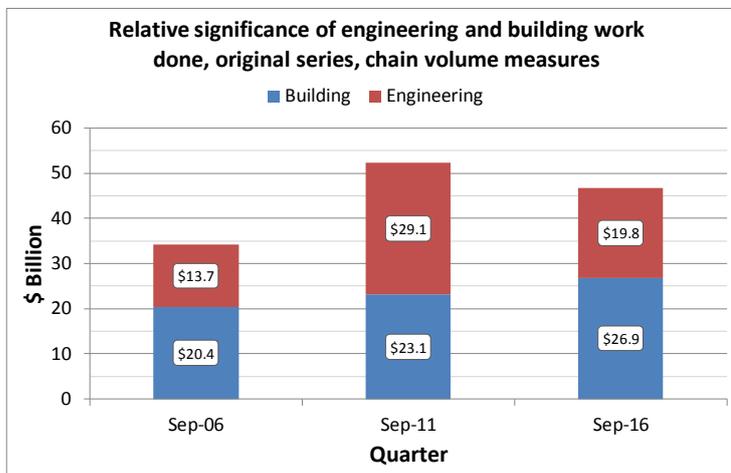
Estimates are based upon responses for each survey of approximately 85 per cent of the value of work done during the reported quarter. Please note that more comprehensive and updated results will be available on 18 January 2017, through the releases Engineering Construction Activity, Australia (cat. no. 8762.0) and Building Activity, Australia (cat. no. 8752.0).

This release makes significant revisions to the previous June quarter 2016 estimates for total construction work done, with the original, seasonally adjusted and trend estimates revised upwards by 2.8 per cent, 2.3 per cent and 1.0 per cent respectively.

In real terms, overall quarterly changes are:

- The value of construction work done (original data) decreased by 3.13 per cent in the September quarter 2016, relative to the previous quarter, but is 34.9 per cent higher than the same quarter in 2006.
- The quarterly decline in construction work done was driven by a 10.1 per cent decline in engineering construction.
- Relative to the September quarter 2015, private sector engineering work done declined by 35.7 per cent.
- Building construction work done decreased across most states and territories relative to the previous quarter.

The charts below show selected elements of construction work done data and how these elements have changed over the past five and ten years.



Value of construction work done by data type

The ABS releases three forms of data: seasonally adjusted, trend and original. These three data forms imply different levels of construction activity.

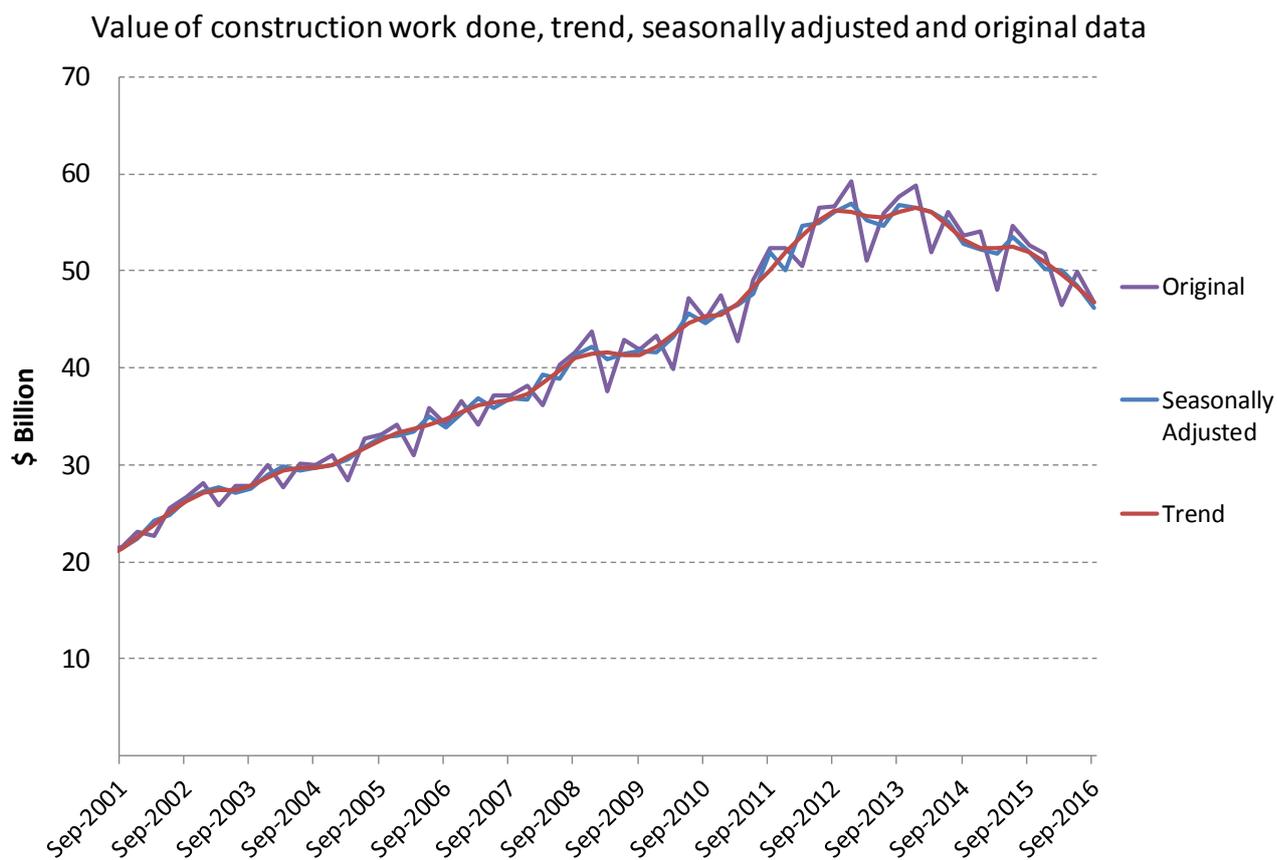
Seasonally adjusted statistics reflect both irregular and trend movements. Relative to the same period in 2015, seasonally adjusted construction work done decreased by 5.7 per cent to \$46.1 billion in the September quarter.

Trend estimates are derived from the seasonally adjusted data and smoothed to reduce the impact of irregular changes. In the September quarter, the trend estimate decreased by 5.2 per cent compared to the same quarter in 2015. The value of trend estimate for the September 2016 quarter was \$46.8 billion.

The original data set is unadjusted. The value of construction work done (original data) decreased by 5.9 per cent compared to the same quarter in 2015.

The following charts present chain volume estimates. Chain volume is an application of Consumer Price Index based on a reference year (currently 2014-15), updated annually in the September quarter. This measure reflects changes in value after the direct effects of price changes (including inflation) have been removed.

The remainder of this release will use original data to capture the impact of seasonal variations and individual projects.



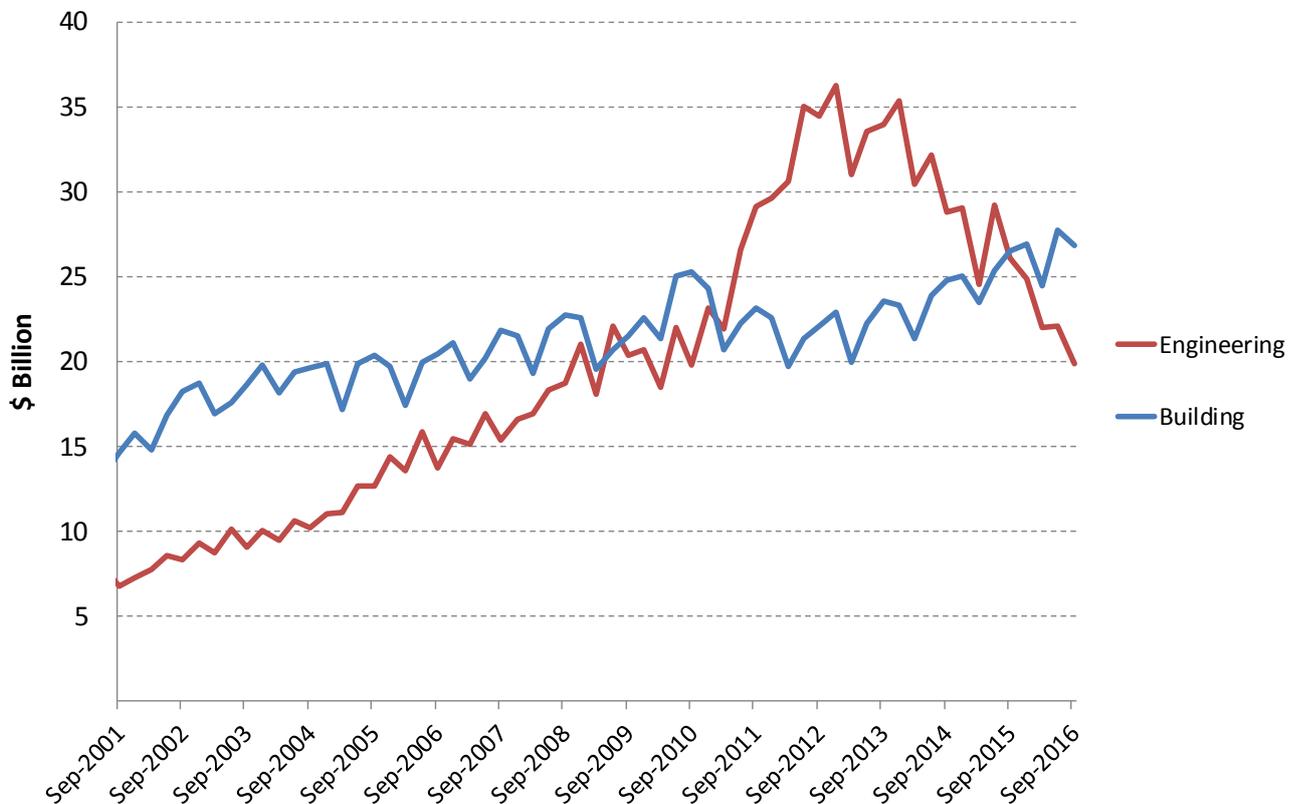
Note: Chain volume measures.

Value of building and engineering construction work done by sector

In the September quarter 2016, the value of engineering construction work done decreased by 10.1 per cent to \$19.8 billion relative to the previous quarter¹. Compared to the September quarter 2015, the value of engineering construction work done decreased by 6.3 per cent in the September quarter 2016. However, the value of engineering construction work done is 44.8 per cent higher in the September quarter 2016 when compared to September quarter 2006.

In the September quarter 2016, the value of building construction work done decreased by 3.3 per cent to \$26.9 billion relative to the previous quarter. Compared to the September quarter 2015, the value of building construction work done increased by 0.3 per cent in the September quarter 2016. Relative to September quarter 2006, the value of building construction work done is 31.6 per cent higher in the September quarter 2016.

Value of construction work done, original data



Note: Chain volume measures.

¹ Note that quarter on quarter variations for engineering and building construction work done are volatile.

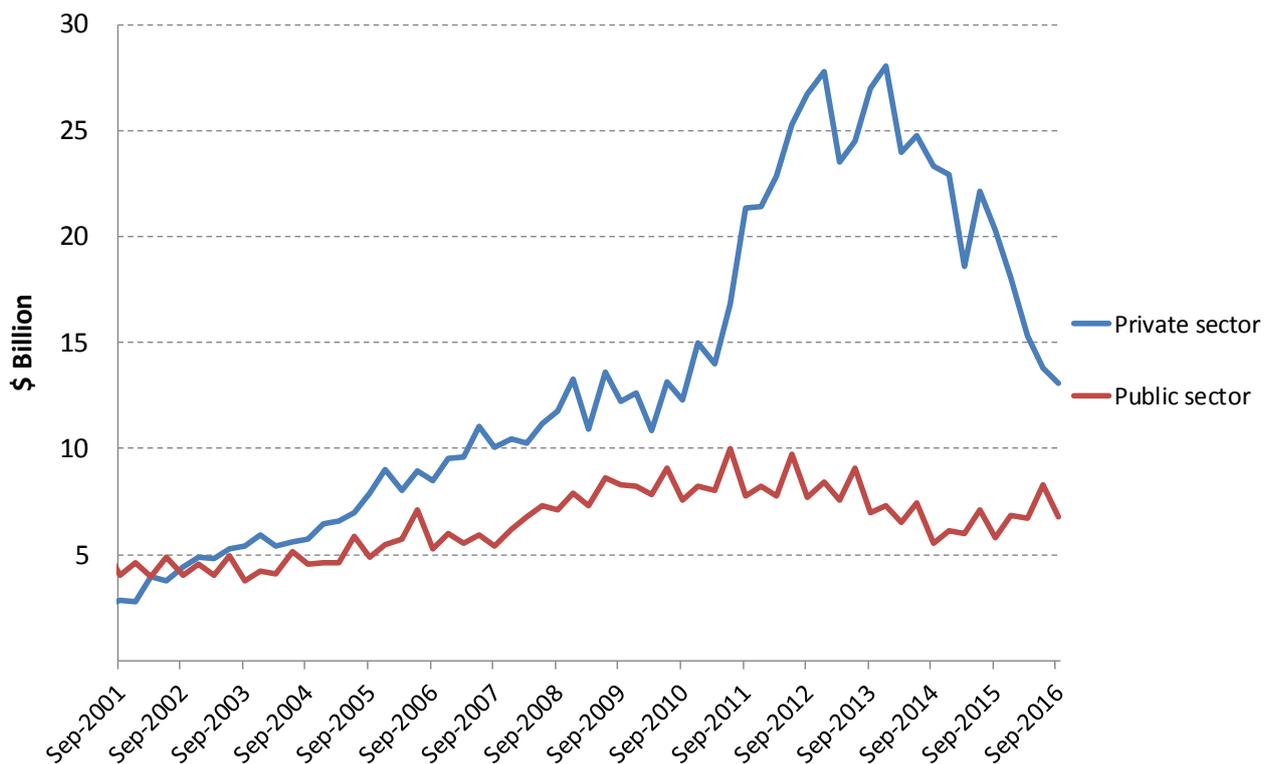
Value of engineering construction by sector

Engineering construction includes, for example, work done on roads, highways and subdivisions, airport runways, bridges, railways and tramways. For a full list of what engineering construction captures, see the glossary on page 7.

In the September quarter 2016, the value of public sector engineering work done decreased by 18.3 per cent to \$6.8 billion, relative to the previous quarter. Compared to the September quarter 2015, the value of public sector engineering construction work done increased by 17.2 per cent in the September quarter 2016. Compared to the same quarter in 2006, the value of public sector work has increased by 28.1 per cent in the September quarter 2016.

Relative to the September quarter 2015, the value of private sector engineering construction work done decreased by 35.7 per cent in the September quarter 2016 to \$13.1 billion. However, the September quarter 2016 value of private sector engineering construction work done remains 53.7 per cent higher than in the September quarter 2006.

Value of engineering construction work done, by infrastructure owner, original data



Note: Chain volume measures.

Value of all engineering construction by State/Territory

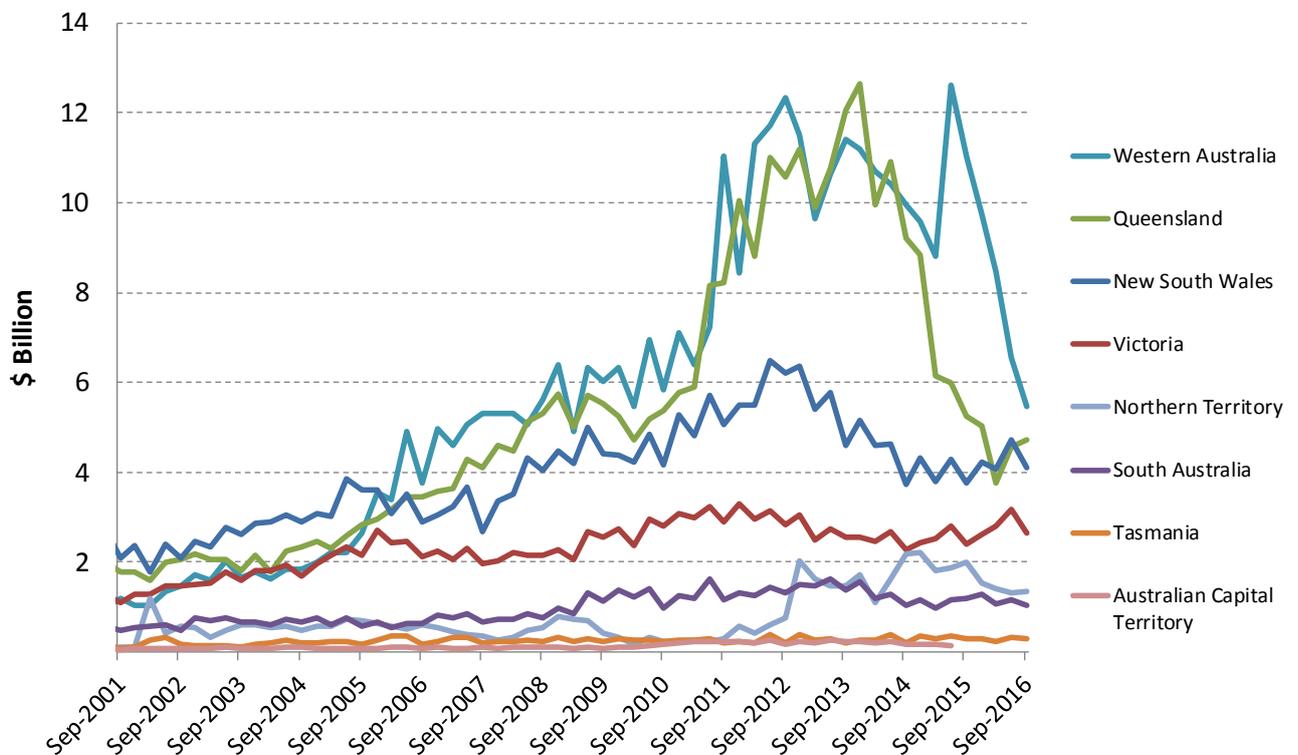
Across most jurisdictions, the value of engineering construction work done decreased in the September quarter 2016 relative to the previous quarter. However, Queensland and the Northern Territory experienced increases of 3.2 per cent and 2.2 per cent respectively.

In percentage terms, the biggest decreases were Victoria (17.1 per cent), Western Australia (16.6 per cent), New South Wales (13.6 per cent), South Australia (10.6 per cent) and Tasmania (7.4 per cent).

Value of engineering construction data are not available for the Australian Capital Territory.

Relative to the same quarter in 2006, the value of engineering construction work done is substantially higher across all jurisdictions.

Value of all engineering construction work done, by state/territory, original data



Note: Chain volume measures.

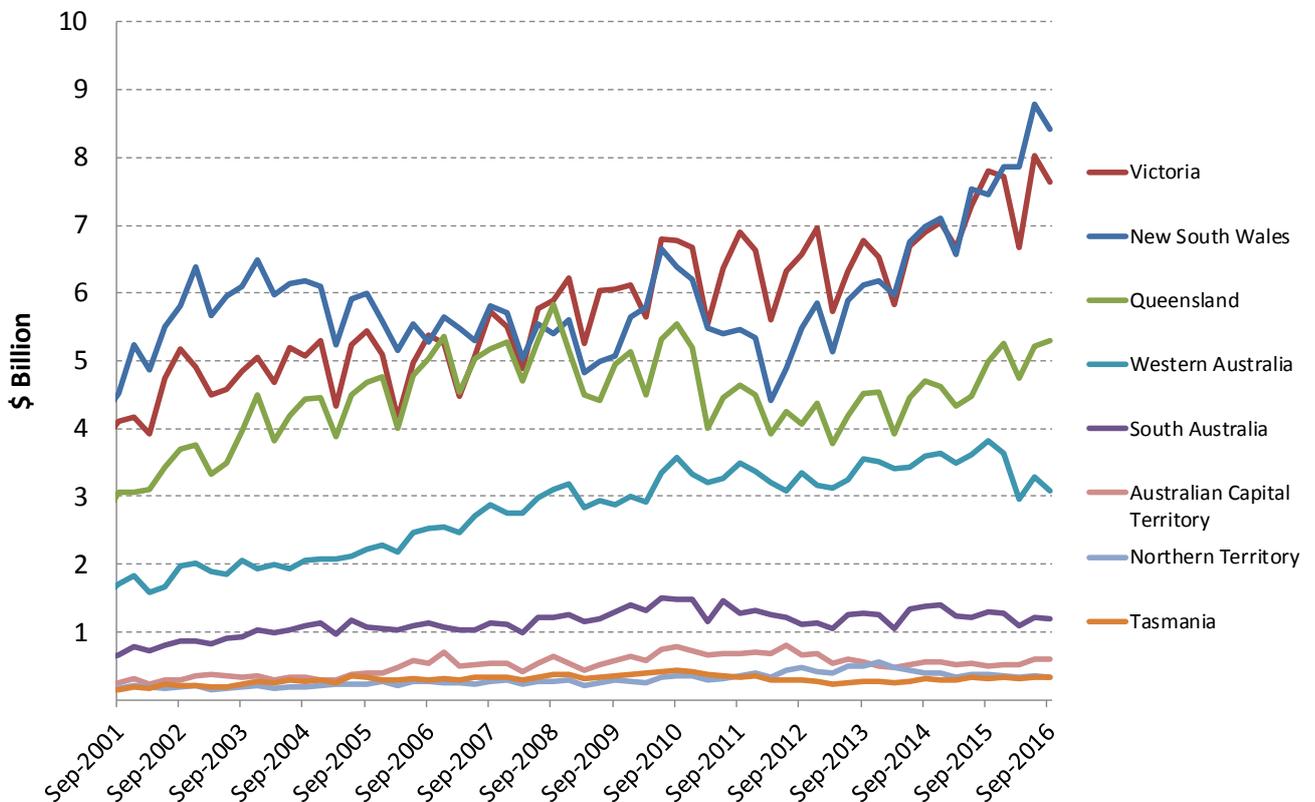
Value of all building construction by State/Territory

A building is a rigid, fixed and permanent structure that has a roof. Its intended purpose is primarily to house people, plant, machinery, vehicles, goods or livestock. Please note that the quarterly value of building construction work done is influenced by seasonal factors.

Across most jurisdictions, the value of building construction work done decreased in the September quarter 2016 relative to the previous quarter. However, Queensland and the Australian Capital Territory experienced increases of 1.5 per cent and 0.5 per cent respectively.

In percentage terms, the biggest decreases were Western Australia (6.1 per cent), Victoria (4.8 per cent), New South Wales (4.2 per cent), South Australia (2.4 per cent) and Tasmania (0.9 per cent).

Value of all building construction work done, by state/territory, original data



Note: Chain volume measures.

Glossary

| | |
|------------------------------|--|
| Chain Volume Measures | Is an application of the Consumer Price Index and is based on a reference year. The current reference year is 2014-15. |
| Building construction | A building is a rigid, fixed and permanent structure that has a roof. Its intended purpose is primarily to house people, plant, machinery, vehicles, goods or livestock. |
| Engineering construction | Value of engineering construction includes work done on: <ul style="list-style-type: none">• Roads, highways and subdivisions, airport runways• Bridges• Railways and tramways• Harbours• Water storage and supply• Sewerage and drainage• Electricity generation, transmission and distribution• Pipelines (other than water)• Recreation• Telecommunications• Heavy Industry |
| Value of work done | This value only includes work carried out during 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 private organisation's own workforce and subcontractors. |
| Value of work commenced | (Not reported as part of this release) This is a short-term indicator of the future pipeline (outlook). It consists of projects that have commenced when site work begins. |
| Value of work yet to be done | (Not reported as part of this release) This is a long-term indicator of the future pipeline (outlook). It is the value of outstanding work for the project at the end of the period. |

Next scheduled release

22 February 2017 - Construction Work Done, Australia - ABS cat. 8755.0 (December quarter 2016)

Related releases

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

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

27 January 2017 - Producer Price Indexes, Australia - ABS cat. 6427.0 (December quarter 2016)

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Acknowledgement

The Australian Bureau of Statistics releases the data summarised in this alert.

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