



BITRE STATISTICAL ALERT

Construction Work Done, Australia (ABS cat. no. 8755.0)
December Quarter 2018

27 February 2019

Overview

On 27 February, the Australian Bureau of Statistics (ABS) released the December quarter 2018 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. Please note that more comprehensive and updated engineering construction results will be available on 27 March 2019 with the release of Engineering Construction Activity, Australia (cat. no. 8762.0).

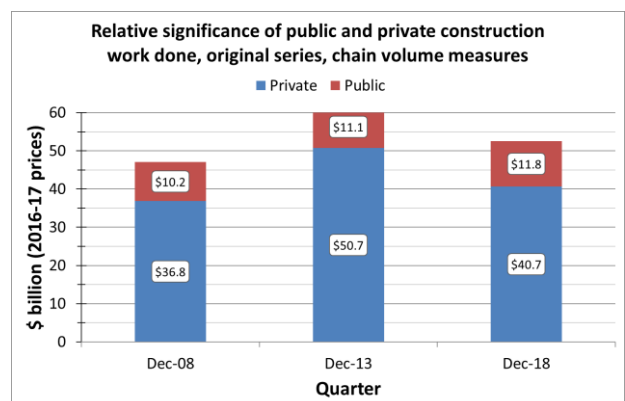
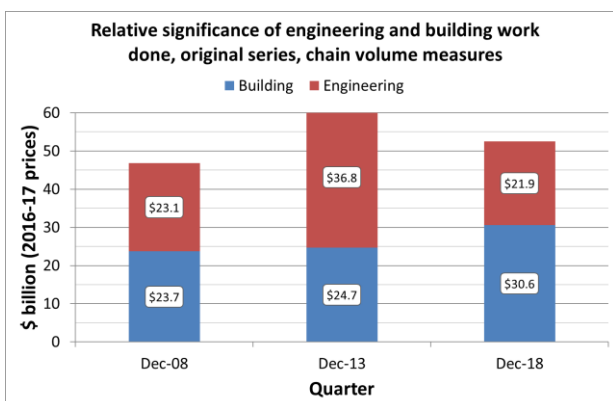
In real terms, overall changes in the construction work done (original data) in the December quarter 2018 relative to the previous quarter were:

- The total value of construction work done decreased by 1.0 per cent to \$52.5 billion.
- Building construction work done decreased by 1.5 per cent to \$30.6 billion and engineering construction work decreased by 0.5 per cent to \$21.9 billion.
- The value of private sector engineering work done increased by 3.4 per cent to \$13.6 billion while public sector engineering work decreased by 6.1 per cent to \$8.3 billion. Total private construction work done in the quarter was \$40.7 billion and total public construction work done was \$11.8 billion.

There was a quarterly decrease of 3.1 per cent in the total seasonally adjusted construction work done and a decrease of 2.5 per cent in the total trend construction work done.

Year-on-year, relative to the December quarter 2017, the value of total construction work done in the December quarter 2018 decreased by 2.6 per cent, driven by a 7.8 per cent fall in engineering construction work done with both private sector and public sector engineering construction falling significantly.

The charts below show how selected elements of construction work done have changed over the past five and ten years. They show engineering construction work done (mainly private) increasing with the resource construction boom and then falling. They also show the large increase in building construction work done between 2013 and 2018. The private sector tend to drive changes because it makes up around 80 per cent of construction



Value of construction work done by data type

The ABS releases three data series: original, seasonally adjusted, and trend. The original data set is unadjusted, except for price. The seasonally adjusted series takes into account normal seasonal factors, the varying numbers of working days in a quarter and the varying date of Easter. As a result, seasonally adjusted statistics reflect both irregular and trend movements. Trend estimates are derived from the seasonally adjusted series, which is smoothed to reduce the impact of irregular changes.

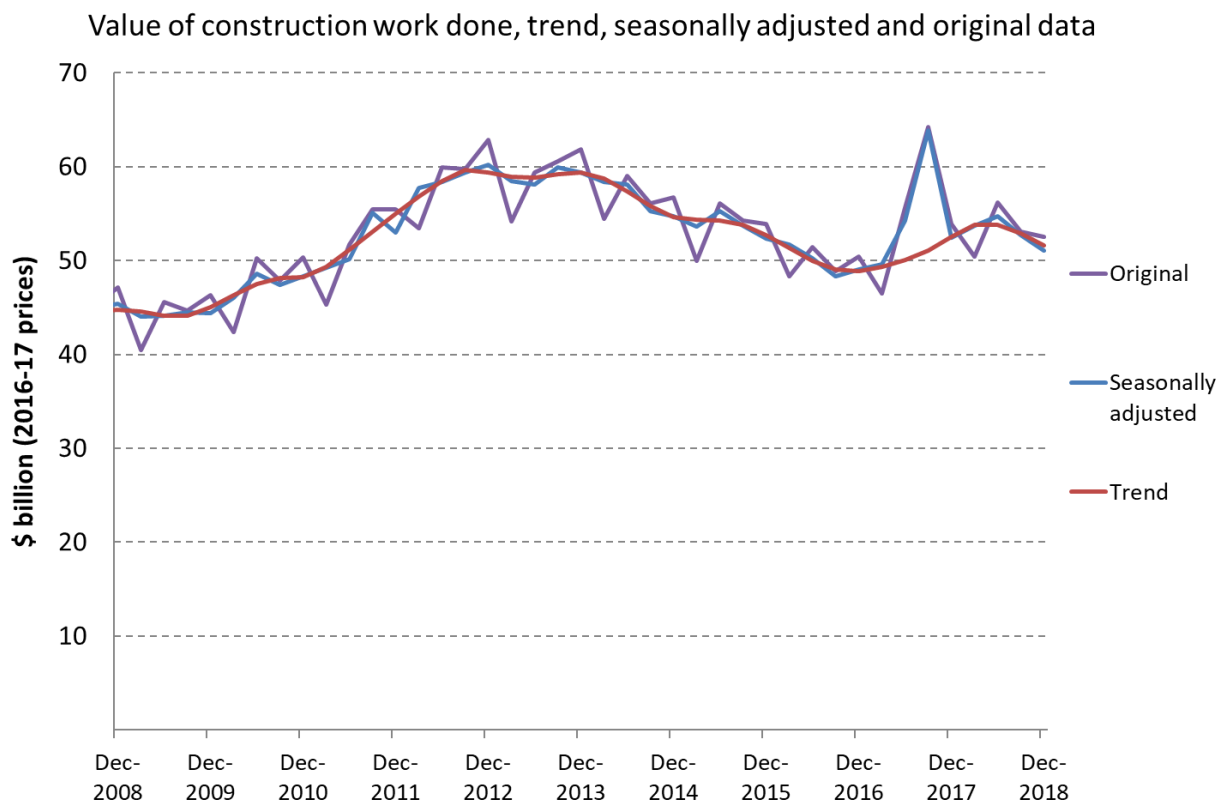
All the data in this statistical alert uses chain volume estimates in 2016–17 dollars. This measure reflects changes in value after the direct effects of price changes have been removed.

The value of construction work done (original data) in the December quarter 2018 was \$52.5 billion, a decrease of 1.0 per cent from the previous quarter and a decrease of 2.6 per cent compared to the same quarter in 2017.

The seasonally adjusted value of construction work done in the December quarter 2018 was \$51.1 billion, a decrease of 3.1 per cent from the previous quarter and a decrease of 2.6 per cent compared to the same quarter in 2017.

The trend value of construction work done in the December quarter 2018 was \$51.6 billion, a decrease of 2.5 per cent from the previous quarter and a decrease of 1.8 per cent compared to the same quarter in 2017.

The remainder of this release uses original data (only adjusted for inflation) to capture the impact of seasonal variations and individual projects.



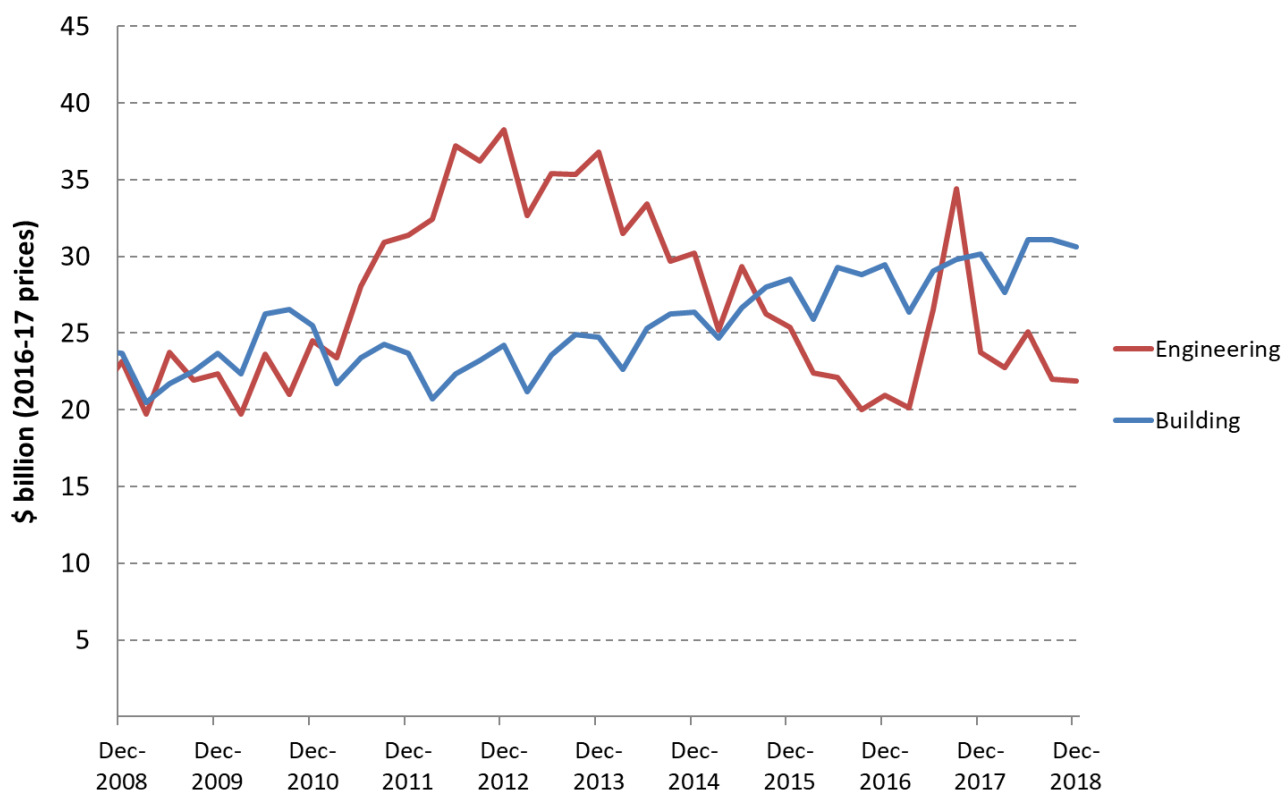
Note: Chain volume measures.

Value of engineering and building construction work done by sector

In the December quarter 2018, the value of engineering construction work done decreased by 0.5 per cent relative to the previous quarter¹ to \$21.9 billion. Compared to the December quarter 2017, the value of engineering construction work done decreased by 7.8 per cent in the December quarter 2018 and relative to the same quarter 10 years ago, the value of engineering construction work is down by 5.4 per cent.

In the December quarter 2018, the value of building construction work done decreased by 1.5 per cent relative to the previous quarter to \$30.6 billion, still close to the all-time high of \$31.1 billion. However compared to the December quarter 2017, the value of building construction work done increased by 1.5 per cent in the December quarter 2018 and relative to the same quarter 10 years ago, the value of building construction work done is up by 29.1 per cent.

Value of construction work done, original data



Note: Chain volume measures.

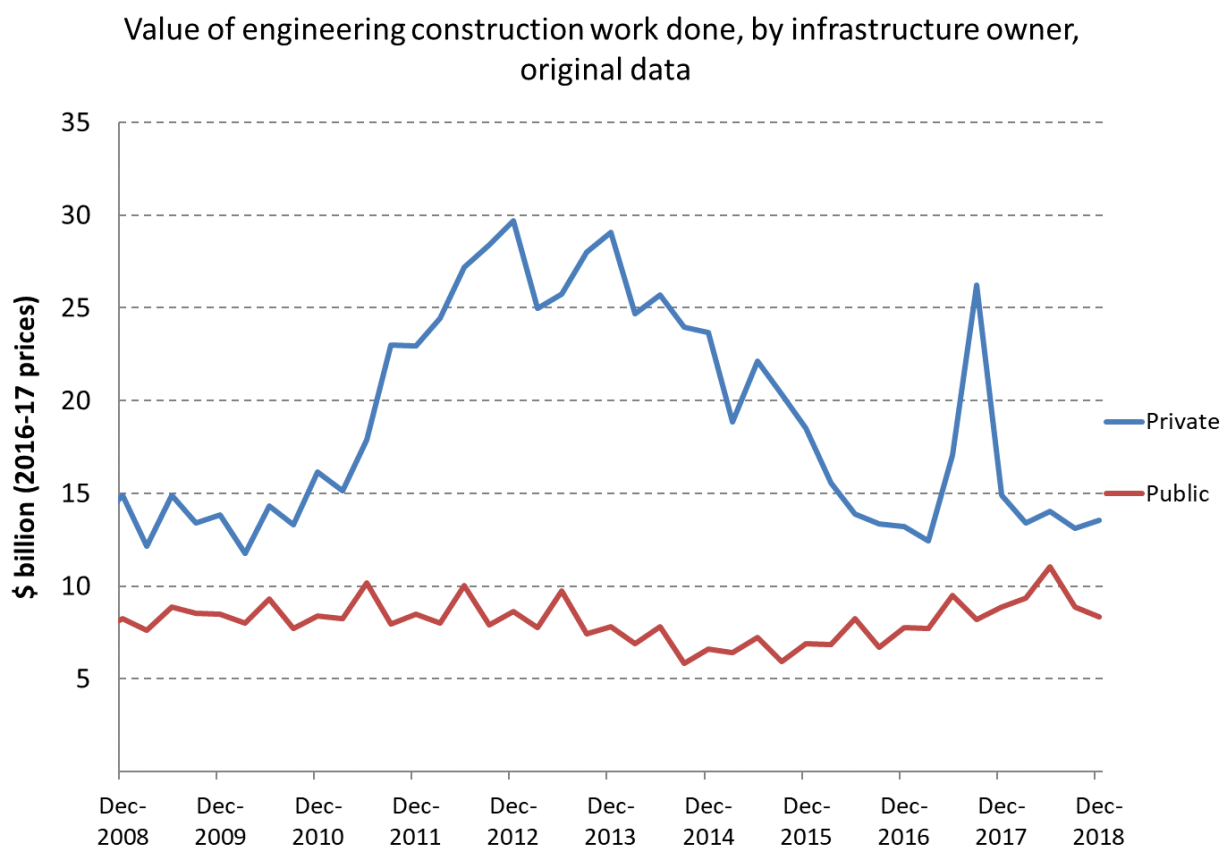
¹ Note that quarter on quarter variations for engineering and building construction work done are volatile.

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 December quarter 2018, the value of public sector engineering work done decreased by 6.1 per cent relative to the previous quarter to \$8.3 billion. The value of public sector engineering work done in the December quarter 2018 was also 5.8 per cent lower than a year ago in the December quarter 2017. However it was 0.9 per cent higher than in the same quarter a decade ago.

Relative to the previous quarter, the value of private sector engineering construction work done increased by 3.4 per cent in the December quarter 2018 to \$13.6 billion. The value of private sector engineering construction work done in the December quarter 2018 was 9.0 per cent lower than a year ago in the December quarter 2017 and 8.9 per cent lower than the same quarter a decade ago.



Note: Chain volume measures.

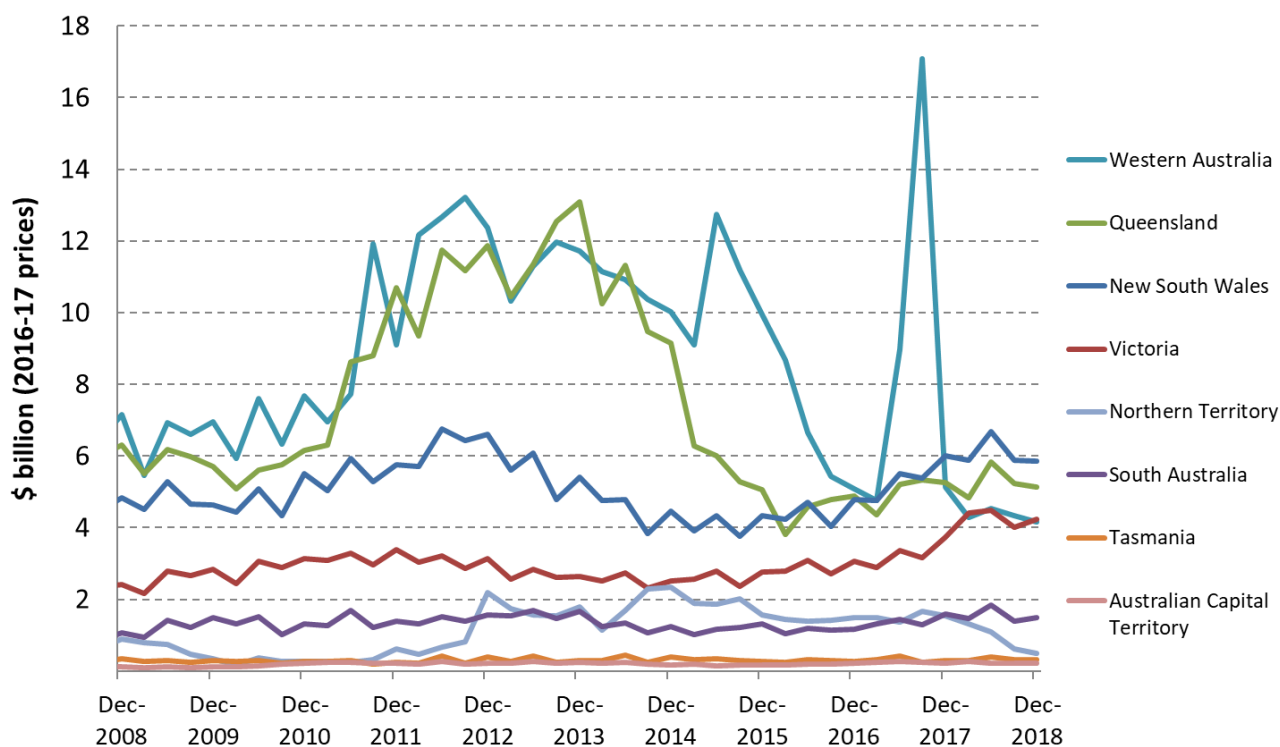
Value of all engineering construction by state/territory

The largest values of engineering construction work done in the December quarter 2018 were in New South Wales (\$5.9 billion), Queensland (\$5.1 billion) and Victoria (\$4.2 billion). In Victoria, the value of engineering construction work done in the quarter was close to an all-time high.

The value of engineering construction work done increased quarter-on-quarter in South Australia (8.4 per cent), Victoria (5.5 per cent), and the Australian Capital Territory (5.0 per cent).

The value of engineering construction work done fell quarter-on-quarter in the Northern Territory (-21.2 per cent), Western Australia (-4.0 per cent), Queensland (-2.0 per cent), Tasmania (-0.8 per cent) and New South Wales (-0.6 per cent).

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



Note: Chain volume measures.

Value of all building construction by state/territory

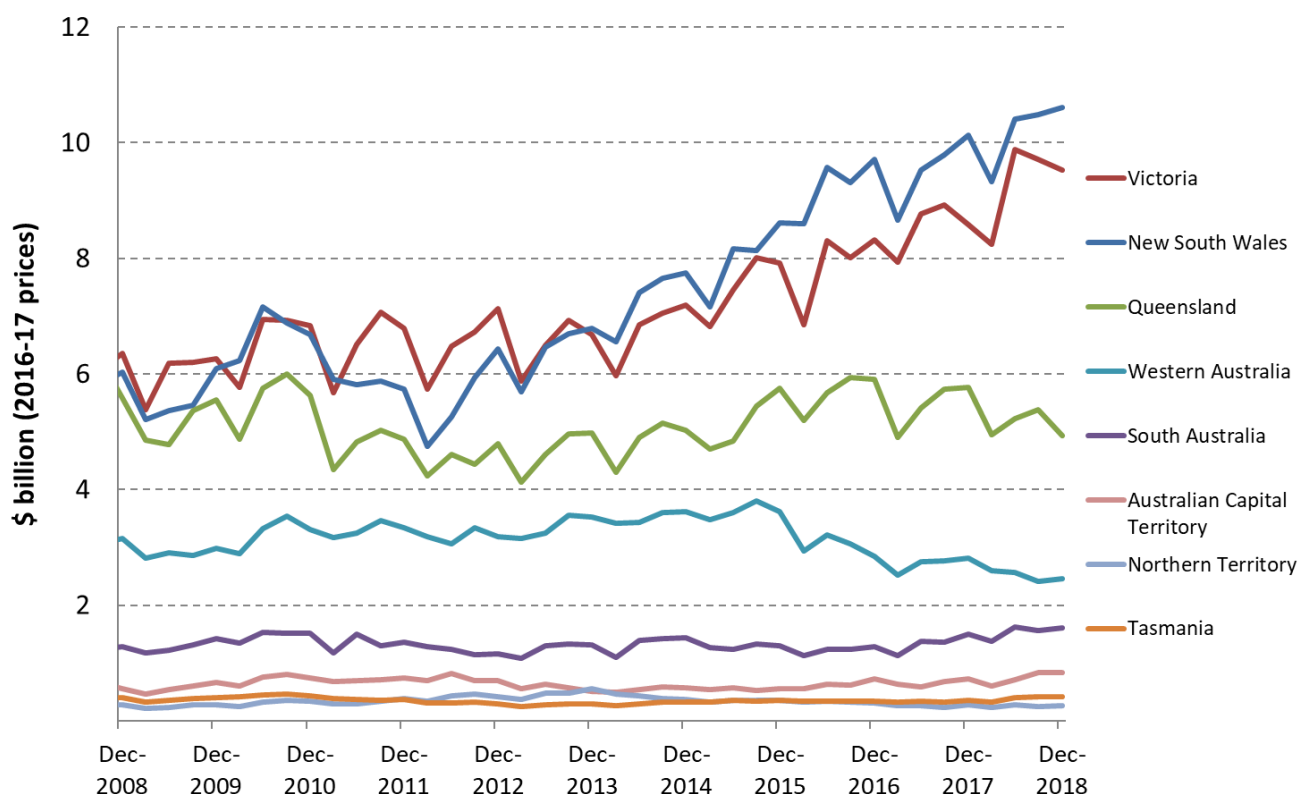
A building is a rigid, fixed and permanent structure that has a roof. Its intended purpose is primarily to house people, plant, machinery, vehicles, goods or livestock. Note that the quarterly value of building construction work done is influenced by seasonal factors.

In the December quarter 2018 the largest values of building construction work done were in New South Wales (\$10.6 billion), Victoria (\$9.5 billion) and Queensland (\$4.9 billion). The value of building construction work done in the quarter were at an all-time high or close to an all-time high in New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory.

The value of building construction work done increased in the December quarter 2018 relative to the previous quarter in the Northern Territory (4.6 per cent), South Australia (2.6 per cent), Western Australia (1.5 per cent), and New South Wales (1.1 per cent).

The value of building construction work done decreased in the December quarter 2018 relative to the previous quarter in Queensland (-8.4 per cent), Tasmania (-3.3 per cent), Victoria (-2.0 per cent), and the Australian Capital Territory (-0.6 per cent).

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



Note: Chain volume measures.

Glossary

Chain Volume Measures	Measures that have been adjusted to take account of price variations. The current reference year is 2016-17.
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.

Next scheduled release

22 May 2019 - Construction Work Done, Australia - ABS cat. 8755.0 (December quarter 2018)

Related releases

1 February 2019 - Producer Price Indexes, Australia - ABS cat. 6427.0 (December quarter 2018)

27 March 2019 - Engineering Construction Activity, Australia - ABS cat. 8762.0 (December quarter 2018)

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Acknowledgement

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

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