

# Engineering Construction – June quarter 2011

ECONOMIC ALERT

5th October 2011

## KEY POINTS

### Engineering Construction Work Done

- The value of engineering construction work done increased by a seasonally adjusted 2.7% to \$23,308.6m in the June quarter 2011 to be 20.0% above the level of the same quarter in the previous year.
- The June quarter increase was mainly driven by a solid increase in construction work done for the public sector, which rose by 5.3% in the quarter. Work for the private sector increased by 1.4%.
- Reflecting the solid inflow of infrastructure and resource based construction work, the value of work done in the year ending June 2011 is currently at a historically high level of \$86.4 billion.

### Value of Work Commenced

- The value of engineering construction work commenced by the private sector (original terms) in the June quarter 2011 was \$16.9bn, an increase of 48.3% on the March quarter and 31.1% higher than in the June quarter 2010.

### Value of Work Yet to Be Done – “Work in the Pipeline”

- Forward indicators of activity point to further solid growth in engineering construction during the year ahead. The value of work yet to be done (original terms) increased by 1.0% to \$104.8b in the June quarter 2011 to be 30.5% above the level in the June quarter 2010. Growth over the year was driven by a \$21.7b or 43.5% increase in the oil, gas, coal & minerals sector. Work in the pipeline in the June quarter 2011 was valued at 14.6 months, up from 12.4 months a year ago.
- In terms of end markets, the highest level of upcoming work is evident in oil, gas, coal & minerals with \$71.7 billion of work yet to be done in the June quarter representing 68.4% of the total. This is followed by roads, highways and subdivisions at \$9.5 billion (9.1%) and water/power with \$7.0 billion of work yet to be done (6.7%).

Value of Work Yet to be Done - % change

